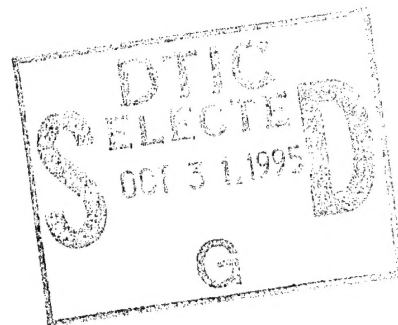


# NAVAL POSTGRADUATE SCHOOL MONTEREY, CALIFORNIA



## THESIS

### THE DYNAMICS OF GERMAN SECURITY POLICY

by

Tommy J. Tracy

June 1995

Thesis Advisor:

David S. Yost

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Captain, United States Army  
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Submitted in partial fulfillment  
of the requirements for the degree of

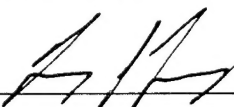
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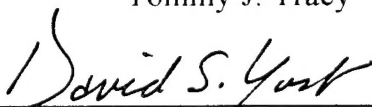
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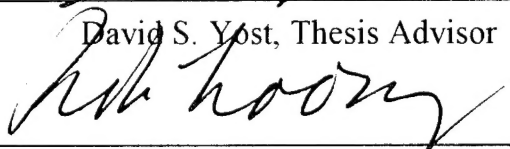


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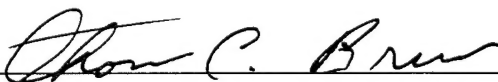
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## ABSTRACT

During the period from 1949 to 1990, some political analysts argued that West Germany had transformed German foreign policy traditions from a Bismarckian *Machtpolitik* (power policy) to a *Machtvergessenheit* (forgetting and neglecting of power policy). Hans-Peter Schwarz, a noted political historian, argued that the West Germans had over time accepted a "responsible and moral" and sometimes "simplistic" approach to foreign and security policy issues. This thesis examines the factors of continuity and change regarding Schwarz's claim of German *Machtvergessenheit*, both before and after Germany's reunification in 1990.

The thesis concludes that Germany does have national interests which are defended by politicians in Bonn. However, these interests and supporting policy measures have been purposely limited due to significant domestic and external constraints, including a political culture that values restraint. Germans are well aware of power political factors and use them within acceptable boundaries. The realm of the Federal Republic's contemporary *Machtpolitik* may be summed up in three points: appealing to the public's sense of responsibility to further political goals, implementing "assertive" diplomatic and economic measures on occasion, and supporting the right of others to use military force.

The Germans seem reluctant to pursue new "experiments" in foreign policy (ones that could prove detrimental to Germany's current position). Moreover, the Germans tend to exhibit an attitude of moral aloofness - loathing the idea of German participation in risky military operations - and still depend on the United States and other Western powers for military protection.



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## EXECUTIVE SUMMARY

This thesis examines the dynamics of Germany's security policy. The analysis focuses on Germany's ability to define and defend its national interests and to accept international security responsibilities, despite various constraints rooted in history, politics, and economics.

This topic is important because America's agenda is increasingly focused on domestic problems, and NATO Europe is expected to accept greater responsibilities for international security. Statements by Presidents Bush and Clinton have made it clear that Germany is considered the linchpin for such a leadership role. Even though France and the United Kingdom have been more active in "out of area" operations, Germany is expected to play a central and indispensable role in uniting Europe and promoting a more stable international security environment in the future.

During the period from the Second World War to reunification in 1990, most West Germans maintained that pursuing a foreign and security policy on the model of Bismarckian *Machtpolitik* (power politics) would be against Germany's interests. An overt "power politics" approach in Bonn would have caused anxiety among Germany's neighbors and increased instability in Europe. One of Germany's most distinguished historians and theorists about international relations, Professor Hans-Peter Schwarz of Bonn University, argued that West Germany had transformed previous German approaches to security into a *Verantwortungspolitik* (responsibility policy) or a *Moralpolitik* (morality policy). This led, Schwarz argued, to West Germany taking an emphatically "responsible and moral" approach to its foreign and security policies and to a "simplistic" neglect, or forgetting, of power political considerations (*Machtvergeessenheit*) in international security affairs. Since reunification, the German government has taken steps to make Germany a "more



normal" country in international security matters, but it remains to be seen how far this will go.

A "normal" nation-state would, for example, attach a high priority to securing its own interests. What evidence suggests that Germany's goal is to further a wider European stability, one formed on its own terms? Germany's interests include maintaining a strong relationship with the United States through NATO, establishing stability through a "deepening and widening" of the European Union, redefining its long-standing relationship with France, bringing the Eastern states closer to the West, and finally, enhancing Germany's position as a world power, with greater influence in the United Nations and other international institutions.

Several constraints, however, limit Germany's ability to assume a greater leadership role in international politics. Its political culture, for example, values restraint and "reticence" in military activities, owing in part to the "lessons learned" in the first half of the twentieth century. The expectations and policies of Germany's Eastern neighbors, its partners in the European Union, and the United States constitute additional constraints.

Domestic economic constraints also hinder Germany's efforts to establish stability in Central and Eastern Europe. Reunification costs and the social welfare economic structure have placed a strain on the Federal Republic's ability to use its economic strength as a policy instrument.

The thesis concludes that Professor Schwarz may have underestimated Germany's capacity and resolve to define and defend its national interests. Germany does have concrete national interests which are defended by German politicians. However, those interests are purposely limited due to significant domestic and external constraints. Germany's pursuit of a more assertive role

might not be in its own interests and could even be to its detriment. Germany's declared security interests may seem limited for a country of such geopolitical importance and size, but they are consistent with West Germany's post-1949 policies and have been accepted by the German people as a whole since reunification in 1990.

However, one should not conclude that Germany neglects power politics as Schwarz has contended in his writings. Germans are well aware of power factors in international politics and successfully deal with them within acceptable boundaries. The realm of the Federal Republic's contemporary *Machtpolitik* may be summed up in three points: appealing to the public's sense of responsibility to further political goals, implementing "assertive" diplomatic and economic measures on occasion, and supporting the right of others to use military force.

In addition, Schwarz overlooks three important explanations of why Germans appear to shun power politics. First, many Germans are satisfied with their comfortable lives and have no desire to pursue what could be viewed as risky "experiments." Germans also tend to exhibit an attitude of moral aloofness and loathe the idea of warfighting. As a result, "checkbook" diplomacy has become the norm for pursuing political objectives. Secondly, German citizens have become reluctant to accept an enlarged foreign policy role in light of the tumultuous economic and societal problems associated with reunification and the costly social welfare system. Finally, Germany has been able to successfully avoid many power politics dilemmas by "free-riding" off American and allied military protection. As one German student recently said to Rand Corporation researchers, "War - that is something we leave to the Americans."



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# **I. MACHTBESESSENHEIT TO MACHTVERGESSENHEIT: HANS-PETER SCHWARZ'S THESIS THAT GERMANY'S FOREIGN POLICY APPROACH IS INAPPROPRIATE FOR TODAY'S WORLD**

During the period from the end of the Second World War until reunification in 1990, most West Germans believed that pursuing a foreign and security policy in the form of a Bismarckian *Machtpolitik* (power policy) ran contrary to Germany's interests; and this approach was even considered unconstitutional by others. A power-political approach would have caused anxiety among Germany's neighbors, thereby creating instability in Europe. One of Germany's most distinguished historians and theorists on international relations, Hans-Peter Schwarz of Bonn University, contended that the Federal Republic of Germany transformed Germany's international policy approach from one of *Machtpolitik* (power policy) to *Verantwortungspolitik* (responsibility policy) and *Moralpolitik* (morality policy). This led, Schwarz argued, to West Germany taking an emphatically "responsible and moral" approach to its foreign and security policies and to a neglect or forgetting (*Machtveressenheit*) of power considerations in international security affairs. The central purpose of this thesis is to analyze the factors of continuity and change regarding Schwarz's assessments regarding German *Machtveressenheit*, both before and since German reunification in 1990.

This introduction reviews Schwarz's answers to two important questions. First, what motivates the Germans to lean more towards "moral" policy, an approach that emphasizes supranational or multilateral community interests over national interests? Second, will Germans continue to deem a "moral" policy appropriate or will they decide that Germany should pursue a more aggressive security policy? The economic and domestic constraints that influence German foreign policy and the actual foreign policy choices currently being pursued by Bonn's politicians are broader topics and are addressed in later chapters of this thesis.

At this juncture, it is important to define "power politics" or a "power policy" since the term has various meanings and is an essential term in this thesis. Professor Schwarz cites Georg Schwarzenburger's statement that power politics is:

...a system between states, typified by the following types of behavior: arms races, use of economic and diplomatic pressures, regional or global forms of imperialism, alliances, opposing alliances and counter-balancing of power, isolationist and neutral politics and war. In such a system, the role of rights and morality is restricted, and the position of individual groups within the realm of international hierarchy depends in the final analysis upon its worth within the scheme of potential or actual conflicts.<sup>1</sup>

In 1985, Schwarz argued that the Federal Republic of Germany must proceed with a "dual strategy" course in its foreign policy in order to be an effective leader in the new international order. Germany should, he suggested, seek a rational middle ground in its foreign policy. This strategy is one that incorporates a proper aspiration for peace and an instinct for power; the aim is to further one's own interests and, at the same time, to respect the interests of others. Schwarz recommends a moderate approach to power factors in international politics - *verantwortliche Machtpolitik* (responsible power politics) - and rejects an extremist and egotistical approach, such as pursued by the Nazis. Schwarz defines responsible power politics as an approach "whereby a state guarantees its own independence and survival in the middle of European tensions and in a shaky world order but also prevents the breakdown of the fragile world order."<sup>2</sup> Since German reunification, the German government has taken steps to make Germany a more "normal" country, one that has broken out of its status as a "political dwarf".<sup>3</sup> However, it remains to be seen how far Germany's normalization will proceed in the future.

By examining some key foreign policy events since German reunification in 1990, one can analyze to what extent Germany is pursuing its own interests or "moving in convoy". The events that are examined in this thesis include Germany's ambivalent political orientation in the volatile Balkan region, Germany's ongoing dilemma on how to best incorporate the ideals of moral and responsible policy in its foreign policy, and the Federal Republic's emphatic desire to seek a more cohesive European Union when Europe seems to be leaning - at least in some ways - towards disintegration. In the final analysis, this thesis concludes, as Schwarz points out in his works, that Germany needs to consider its own national interests in its foreign policy decision making because its current approach

is unlikely to satisfy emerging and future requirements. Germany must face the realities around it and understand that it is part of a continent where other countries are becoming more focused on their own national interests.

With the end of the Cold War, many European politicians assume that nations no longer need to unite and pursue multilateral political courses in order to solve their problems.<sup>4</sup> Therefore, depending on the approaches taken by Germany's European Union partners, it may become even more important for German decision-makers to consider national interests "foremost" concerning defense and security issues instead of giving the European Union a higher priority. In other words, the Federal Republic may need to alter its Cold War political practices in order to make them more compatible with the demands of the times. Germany needs to revise its policies before it is shocked into the realization that it could become a victim of "collateral damage" or political blackmail resulting from strife in Eastern Europe, the Balkans, Russia, or regions just beyond Europe's territorial borders.<sup>5</sup>

#### **A. THE EVOLUTION OF *MACHTVERGESSENHEIT* (FORGETTING OF POWER POLITICS)**

It is important to first understand why Germans spurn power politics because it directly affects the way German politicians conduct foreign policy today. The term 'nationalism' causes many Germans to squirm, especially when it is used in the context of security issues. Americans expect their politicians to consider national interests in security policy decision-making. Americans tend to glorify certain events as necessary measures for the survival and expansion of their nation (for instance, the Mexican War and the Spanish-American War).

The opposite case holds true for Germans. As Hans-Peter Schwarz puts it, left of center and mainstream Germans shun nationalism like born-again Christians shun sinners.<sup>6</sup> Nationalism is a negative word for Germans and conjures up memories of the Kaiser, spiked helmets, World War I, and Hitler. On the other hand, humanitarian missions are looked upon as a way to make up for past wrongs. As a result, Germany's troop

deployments abroad since the Second World War have taken place only since the end of the Cold War and have mainly been conducted within the context of humanitarian missions (Kampuchea, Somalia, and Iraq).

After 1945, West Germans avoided foreign policy approaches that seemed nationalistic out of fear that they might jeopardize their standing in the free world as citizens solidly committed to the policies of Western Europe and the United States. West Germany had its first supposed "missed opportunity" of placing its own national interests over the interests of the West in 1952, when Stalin proposed a reunification of both Germanies for the price of neutrality.<sup>7</sup> The SPD supported the idea of reunification for neutrality. Instead, Adenauer opted to remain in the Western Alliance, choosing freedom with the West and pursuing unification on Western terms.

Another factor contributing to the emergence of *Machtvergessenheit* after the Second World War was the acceptance of idealistic philosophies within the main political parties in Germany. These parties included the Social Democratic Party (SPD) and two smaller ones (the Free Democrats and the Greens). These center-left to left-wing parties have consistently maintained that the pursuit of national interests can only bring negative consequences upon the German nation and have shunned the principle of pursuing national interests and especially the use of force to achieve that end. Hence, ideals of "universal human rights", *Weltinnenpolitik* (world domestic politics), global ecology, world peace, morality, and self-determination have been embraced by these parties. These principles have also been popularized in German political culture by way of the mass media, politicians, and teachers.<sup>8</sup>

Political parties in Germany are split over the meaning of morality. Some factions tend to link moralism with religious connotations. Morality consciously associates deeds with ethical principles. On the other hand, conservatives tend to view moralism in a secular manner whereby a nation conducts its business with the awareness that it takes full responsibility for its actions.<sup>9</sup> Although German politicians may have shunned power politics, that does not necessarily mean that the German people are oblivious to it. Election results suggest that German citizens tend to lean toward the more conservative



view of morality, a circumstance which offers support for the assessment that Germany may one day reassert itself as a normal state. Many have questioned the SPD's ability to govern (i.e., whether it is *Regierungsfähig*).<sup>10</sup> For this reason and others, the conservatives have been in power for most of the Federal Republic of Germany's post-1949 political existence.

In the 1970's, feelings of helplessness seemed to prey on the West Germans. It was a tumultuous time to say the least. After two decades of economic boom, known today as the *Wirtschaftswunder* (economic miracle), the Federal Republic's economy suffered a recession. The problems of an expensive social market economy started to take their toll. In addition, the oil embargo forced the Germans to recognize their vulnerabilities and the obstacles to securing reliable energy sources for their export-dependent economy. In addition, terrorism threatened to paralyze the nation's psyche.<sup>11</sup> Groups like the Bader Meinhof gang and the Red Army Faction forced the central government to wage an active campaign against them or risk losing legitimacy in the eyes of its constituents. The war in Vietnam made matters worse. The United States was now looked upon with disappointment and suspicion. West Germans started to question whether they were allied with a trustworthy "big brother" or with the better of two evils (the Soviets being the other evil).

Another important point about West Germany's acceptance of European integration and a moralistic approach to politics was the "appealing" nature of such ideas. Since nationalism had not worked in Germany in the past, another approach needed to be adopted. An uncomfortable historical characteristic of German political culture has been a tendency to embrace extremist attitudes, whether from the left or the right. Perhaps that helps to explain the West German swing from *Machtpolitik* to *Moralpolitik*, and the adoption of the goals of peace and morality over notions such as nationalism and militarism. Ideally, a "normal" nation should consider a proper mix of the two extremes and seek a middle ground, but West Germany found it difficult to do so.<sup>12</sup> By the 1970's, all major parties in West Germany had agreed that furthering a united Europe and discarding policies of nationalism would be in Germany's best interests. These ideas, the

West Germans hoped, would expunge Europe of nationalistic notions and all the bad connotations that came with them (alliances, suspicions, isolationism). West Germany wanted to be the catalyst that would propel other European nations to accept the same selfless and moralistic ideals that it had adopted. As a result, West Germany actively pursued European integration more than other countries such as the United Kingdom and Denmark.

Seeking a united Europe has transfixed the Germans to the point that there is truth to Chancellor Kohl's argument that once an integration measure has been taken, there is no going back on it. Any such turning back would have a shocking impact on the Germans. Uniting Europe has been an ingrained political goal for over two generations, and it is a goal that cannot be easily forgotten or ignored.<sup>13</sup>

Finally, West Germany put a lot of faith in its allegiance to the United States and NATO during the Cold War. For West Germany, the idea of maintaining sovereignty without the United States meant the increased likelihood of subjugation by the Soviets. As a result, West Germany was often willing to accept the decisions of the United States and its allies. The Federal Republic sobered up quickly to the prospects of Soviet tyranny after facing the blockade of Berlin, becoming a target of Soviet political aggression and espionage, and observing the construction of a fortified wall along its eastern border. Whereas other countries could easily place conditions on United States policies like insisting that no maneuver forces be placed on national soil during peacetime (Norway, Denmark) or going so far as to pull out of the integrated military structure of NATO (Spain and France), West Germany could do no such thing.

Because of the nation's division and continuing Four Power rights, West Germany had fewer rights to self-determination than did the other Western European nations. In addition, West Germany did not want to jeopardize its American ties by taking decisions that could offend its powerful ally. Doing so could have resulted in a decreased European commitment by the United States and an increased likelihood of political blackmail by the Soviet Union. The political power situation during the Cold War essentially resulted in a zero-sum situation for West Germany: either side with one superpower (the United

States) or become a subject of another one (the Soviet Union). Even though the Soviets were considered enemies of democracy, there were still calls in the 1960's and 1970's by the more liberal leaders in the United States Congress, Senator Mansfield for example, for a U.S. troop withdrawal from Europe.<sup>14</sup> Therefore, West Germany was always unsure of how far it could go in flexing its political muscle.

## **B. POST-REUNIFICATION: WILL GERMANY BREAK OUT OF *MACHTVERGESSENHEIT*?**

After its reunification, questions were raised about the future of Germany's foreign policy. Now that it was a fully sovereign state, would the Federal Republic change its political course and pursue a more assertive security policy? Would it seek an eastern orientation or a neutral course?

The success of reunification was attributed to the Federal Republic's steady course of Western alignment, total adherence to democratic values, firm emphasis on greater European integration, and disregard for nationalistic power politics. For the first time in Germany's history, three generations had lived in economic prosperity devoid of wars. As a result, the Germans saw no need, upon reunification, to make any radical changes in the Federal Republic's policies and principles, ones that had worked so well over the course of the Cold War.<sup>15</sup> Unfortunately, Schwarz argues, Germany failed to realize that its optimistic political attitudes were no longer applicable in the post-Cold War political world. An example of this solidification of idealistic principles, in spite of the changing political world, appeared in a speech given by Foreign Minister Hans-Dietrich Genscher in March 1990, shortly before Germany's unification:

The destiny of the German nation is inextricably linked to Europe's destiny.... [quoting Thomas Mann] We do not want a German Europe, but a European Germany....The policy pursued by the Federal Republic of Germany ever since its inception has...been a policy of responsibility. It is the rejection of past power politics.<sup>16</sup>

German politicians believed that the Federal Republic could continue its "moral and responsible" course in international politics after October 1990. If "moral" policies and the ideals of democracy and self-determination worked for Germany, they should work for everyone else as well. However, Germany soon realized that it could not always rely on idealistic principles in order to solve Europe's foreign policy dilemmas, let alone its own.<sup>17</sup>

### C. YUGOSLAVIA: A CONFLICT IN GERMAN PRINCIPLES

Germany's support for the principle of self-determination (the rights of people to choose their own destiny) was based on its acceptance of the 1975 Helsinki Final Act. *Wir sind ein Volk* was the German rallying cry in calling for a quick reunification of both Germanies in 1989-1990, despite some hesitation and signs of opposition in the Soviet Union, France, and the United Kingdom. The two states represented an unnatural separation of the German people, and the fusion of the two German halves was inevitable after the March 1990 elections in East Germany. Later, Germany decided to apply the same principle of self-determination to the Yugoslav breakaway states as well. Germany believed that the Croats and Slovenians had the same right to establish their own sovereign nation-state, free of Serbian subjugation. Germany felt so strongly about recognizing these Balkan states that it politically muscled its way to achieve that goal even at the expense of annoying some of its partners in NATO and the European Community. German politicians contended that advocating "moral principles" over the evils of power politics was the correct policy course to pursue, even if it meant going against the wishes of Germany's political partners.<sup>18</sup>

However, the Federal Republic quickly realized that it had made a major foreign policy blunder. Today, Germany is blamed by many observers as partly responsible for the situation in the Balkans and reproached for being politically naive in thinking that recognition of the former Yugoslav states would bring peace to the region. Pursuing self-determination can involve ugly consequences, as demonstrated by the fighting in Russia and the former Yugoslav federation. In addition, German self-determination is still looked upon with suspicion by many in neighboring countries, who wonder whether the Federal

Republic will support property claims to accommodate expelled Germans living since 1945 in Germany and champion the rights of German minorities abroad. Foreign Minister Klaus Kinkel has indicated that he still considers the Sudeten question open, although the Czech government wants the issue to be a closed matter.<sup>19</sup> Although such suspicions have largely subsided, they were a major issue in 1990 when Germany was seeking reunification against the wishes of some Europeans.

Could Germany recognize an autonomous Kurdish region at the political and territorial expense of Turkey, its fellow NATO partner? Could Germany recognize the right of self-determination for Albanians in Kosovo, even though it might result in further violence in the region? Such questions have obliged Germans to realize that the principle of self-determination cannot be used in all situations and can conflict with other desirable goals, such as stability and peace.<sup>20</sup>

The second reason for Germany's diplomatic "miscalculations" in the Balkan region dates further back than the recent past. It results from a culmination of decades of what Schwarz calls "simplistic and optimistic moral political principles" which have been ingrained in the German people. In the churches, schools, social clubs, mass media, and bars, Germans developed a keen awareness of global issues but always talked about them rather than taking action. The German phrase "*Gedankenschwer und tatenarm*" may be interpreted to mean "bystanders with a heavy conscience" and is analogous to the American term "armchair quarterback." This phrase is used by Schwarz to describe Germany's current political culture.<sup>21</sup>

Finally, Schwarz argues, the German diplomatic failures in the former Yugoslavia resulted from "deficiencies" in German politics. According to Schwarz, one of the shortcomings in the West German version of democracy after 1949 was the extinction of any analysis of strategic interests and power politics in foreign policy. As a result, Germany failed to establish and formally announce its real strategic and vital interests upon reunification. Why then should Germany have gotten involved in the Balkans if it had not taken the first step of defining its own external strategic interests?

In addition, Schwarz maintains, the German executive, currently Chancellor Kohl,

is practically "paralyzed" when it comes to executing legitimate foreign policy decisions. The SPD opposition party and even Kohl's coalition partner, the Free Democrats, have repeatedly criticized Kohl's actions involving the deployment of the Bundeswehr in "out of area" missions. These two parties went so far as to take the government to the Constitutional Court in Karlsruhe in order to demand a ruling on the legality of the use of Bundeswehr troops outside the confines of Germany. According to Schwarz's analysis, this is not a unique circumstance and tossing a delicate foreign policy question from the executive and legislative bodies to the judicial system is characteristic of German foreign and security policy practices. As a result, Schwarz contends, Germany is being "laughed" at by the free world. The German government hastily recognized the breakaway Yugoslav republics, even though this move was contested by the United States and by Germany's partners in the European Community, now the European Union. Yet, the federal government could not muster enough political support to participate in the protection of those new states that it had so strongly supported.<sup>22</sup>

#### **D. EUROPEAN DISINTEGRATION: UNWILLING TO ACCEPT THE INEVITABLE**

With its reunification in 1990, Germany realized that its new stature caused anxiety among its European neighbors, including some high-level politicians in France and the United Kingdom. Germany realized that by continuing its long-standing support for an integrated European Union, it would alleviate those fears. Even though Germany could obviously flex more political muscle because of its unification, the Federal Republic willingly placed limits on its own political power.<sup>23</sup> The Bundeswehr is smaller than the size that was agreed upon in the "Two plus Four" Agreement and will probably remain small for years to come, owing to budgetary constraints. Germany has had no experience in unilateral security or economic arrangements since 1945, and German elites have seen no need for Germany to go it alone when "moving in convoy" has worked so well in the past.

However, Schwarz suggests, Germany's desire for a European political and economic union is becoming an unrealistic goal. It is a goal that could result in other countries taking advantage of the Federal Republic in order to fulfill their own national interests. The idea that European integration could proceed to some future political union is becoming ever more remote. The precursor for times to come was the breakdown of the European exchange rate mechanism in 1992. Future attempts at reviving this system will probably meet considerable opposition. The citizens of Denmark initially rejected the Maastricht treaty on European Union, and only after concessions were granted, did they accept the treaty's conditions.<sup>24</sup> Most recently, the situation in Bosnia and Norway's rejection of European Union membership have dampened the spirits of those advocating stronger economic and security integration in Europe. European Union negotiations in 1996 could therefore prove to be politically difficult.

Even if the European Union was to become more integrated, Germany would still have to contend with countries trying to pursue their own interests in order to further their political agendas within the framework of an integrated union. For example, France wants to develop a European security and defense identity with greater autonomy from the United States, whereas the United Kingdom still favors a security system based on close ties across the Atlantic Ocean. Unfortunately, Germany is discovering that amiable solutions are difficult to come by, even with its closest allies. Often solutions result in a zero-sum situation, whereby when the Federal Republic compromises by siding with one country, it finds itself at odds with another state.<sup>25</sup> For Germany, much of this zero-sum situation is familiar from the Cold War years, except that this time, the West European states are not obliged to cooperate out of fear of the Soviet Union.

Another dilemma facing Germany is the idea of the "widening" and "deepening" of NATO and the European Union. Germany is quickly realizing that one cannot do both at the same time. Widening inextricably carries a risk of losing cohesiveness. Widening means accepting more member states, each bringing its own particular cultural, social, and political orientations and agendas. How can one satisfy the individual states and ensure that the terms of integration are acceptable for all members?<sup>26</sup> Out of frustration with the

developing crisis in the European Union, Wolfgang Schaeuble, head of the CDU parliamentary group in the Bundestag, proposed a "core" group of integrated states, whereby countries that are ready to seek greater unity could proceed at a faster pace than others. The other members would remain in a peripheral status until they were willing to accept the terms for closer integration. However, the countries that would make up the periphery, such as Spain, have shown no interest in such an arrangement. Even within Kohl's ruling coalition, there are doubts about such a plan, with Klaus Kinkel, Germany's foreign minister, leading the opposition.<sup>27</sup>

#### **E. CONCLUSION: POWER POLITICS, THE SOBERING REALITY OF THE PRESENT**

Numerous other factors are forcing German security elites to recognize that idealistic policy principles cannot provide satisfactory guidelines for all the challenges ahead. Germany continues to depend on the United States for conventional and nuclear force protection in order to neutralize risks from a possible Russian resurgence. Schwarz contends that United States involvement is "essential" to solving the problems in the Balkans.<sup>28</sup> The likelihood that an integrated European security institution would be effective seems remote in light of political developments that have occurred since 1989. The Western European Union has yet to establish itself as a viable military organization, and the setbacks at the December 1994 CSCE/OSCE conference in Budapest are proof that a consensus on European security requirements is unlikely, at least for the foreseeable future. A European collective security arrangement, without opposing alliances, is philosophically attractive to many Germans; but the reality is that NATO's collective defense arrangement provides Germany with more security than any practical alternative.

As a result of its mounting reunification costs, Germany's long-standing reliance on "checkbook diplomacy" is a luxury policy course that it can no longer afford. Almost one-third of the government's annual budget is allocated to programs designed to economically revitalize the five eastern *Länder*. Germany is now a member of the league of deficit nations. Gone are the days when it could solve an international problem with



the D-mark.

Germany is thus forced to make difficult decisions, such as either supporting the southern tier of Europe against Islamic fundamentalism or providing economic impetus to the new democracies in the Visegrad states. These difficult "either...or" decisions are proving to be unpopular with some of Germany's citizens and allies. The Federal Republic can ill afford to transfer resources to the southern regions of Europe as it once did; and, at the same time, it is expected to play a central role in efforts to revitalize Eastern Europe. For Germany, these demands are alarming, because its past foreign policy choices placed an over-emphasis on economic solutions. Germany is a country where the use of military force is not an acceptable option, except in extreme circumstances; and yet economic remedies are becoming ever more costly.

Some Germans realize that their nation must increasingly pursue a responsible, yet power-oriented diplomacy. This type of diplomacy will at least ensure that the limited funds available for foreign development will be spent in areas that further Germany's most important interests. There is simply not enough money in the Bundesbank to solve all of Europe's problems. Failure to adopt a reasonable power-political approach in foreign policy will severely limit Germany's ability to protect its most vital security interests, which are increasingly challenged by irrational forces. Such forces (including some of the belligerents in the former Yugoslavia) seem increasingly immune to diplomatic and economic pressures. Negotiations with these forces, in their present form, are proving to be virtually futile.<sup>29</sup>

In summation, Schwarz argues that Germany must understand that "despite all efforts to act in concert, the governments of the major powers [and smaller ones as well] will continue to act independently on occasion, either openly or in secret." As a result, Schwarz concludes, Germans are fooling themselves by believing that they can continue to neglect Germany's national interests and follow idealistic policy principles that stress morality, multilateralism, and integration.<sup>30</sup> This last point leads to the central questions to be examined in this thesis: what are the foreign policy approaches being pursued by German politicians today? To what extent do German politicians realize that their republic

has national interests? Does their strategy appear to fulfill Germany's interests? The latter question is explored in the next chapter: the contemporary foreign policy strategy pursued by Germany.

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## II. GERMANY'S INTERESTS: SHAPING A STABLE WORLD ORDER

Since the end of the Cold War, the issue of Germany's security interests has taken center stage in European security politics. Germany's security goals and the approaches that Germany has taken to fulfill those goals have evoked controversy.

Some scholars and leaders (including President Mitterrand and then-Prime Minister Thatcher) believed at the time of reunification that Germany would pursue an assertive foreign policy, with goals that it deemed in its best interests. Concerns about a reunited Germany - addressed further in part D, chapter III - were based in part on what were perceived to be unique cultural and historical characteristics of the German people. Those characteristics, which many thought would help to shape German politics, included tendencies of "overdoing things, aggressiveness, egotism, and complexes of inferiority and self-pity." They further believed that institutions such as the EU and NATO should be maintained in order to contain German power and prevent a Fourth German Reich.<sup>1</sup>

On the other hand, others perceived Germany's security interests in a different way by looking deeper into the character of the post-1945 German political culture. Many Germans, especially those that remember the Second World War, continue to assert that Germany's interests can only be furthered within the context of a united Europe. Only through a stable Europe, these Germans suggest, can Germany hope to achieve lasting prosperity and peace. From this German perspective, notions of nationalism and power politics are considered irrelevant when describing contemporary German policies. In the view of many Germans, the aggressive and nationalistic pursuit of power politics would weaken Germany's position as a legitimate political power and damage the Federal Republic's reputation, one that it has so painstakingly built since 1949.

This chapter analyzes to what extent power political considerations actually drive contemporary German security politics and to what extent a united Europe - one that could play a role in stabilizing international security relationships - is the goal in forming German policy decisions. The controversy is analyzed by examining the foreign policy "pathways" that Germany has undertaken since its reunification in 1990.

Once German national interests are identified, the subsequent sections analyze the political strategy that Germany has taken to pursue its interests. These strategic pathways include: continuing the "special" relationship with the United States (a term formally applied to the United States-United Kingdom relationship), maintaining its membership in NATO, pursuing a new approach regarding the Franco-German relationship, establishing a buffer zone (*cordon sanitaire*) of protection along its eastern border, and achieving a position as a world decision maker.<sup>2</sup>

#### A. GERMAN POLITICS AND NATIONAL INTERESTS

German politicians tend to believe that openly championing national interests has no future in German politics and actually fear the consequences of pursuing such a route. Many Germans (as well as many Europeans) believe that nationalism and the aggressive pursuit of national interests drove Germany into two world wars. These historical tragedies serve as reminders of what could happen to Germany if it were to seek a solo foreign policy course in the post-Cold War era. Germans also feel a sense of responsibility towards their neighbors and readily accept the obligation that they 'never again' pursue policies that could evoke *Angst* among their fellow Europeans, including the Russians. As a result, *Moralpolitik* and *Verantwortungspolitik* (policies of morality and responsibility) have been adopted as the most acceptable policy approaches by the post-1945 German governments.<sup>3</sup> The acceptance of these approaches has made it difficult for Germany to steer any other course, let alone a more assertive one.

However, it is difficult for Germany to keep acting like a "political dwarf" when its stature in the political world has grown. Excluding Russia, Germany is the most populous of the European countries, with 80.3 million people. Additionally, Germany is the dominant economic power in Europe. For example, the annual value of its exports exceeds 420 billion dollars, which roughly equals the combined export amount of both France and the United Kingdom.<sup>4</sup> Germany holds a key geopolitical-political position in Europe and is considered the "linchpin" for European stability and economic progress. Its location provides the gateway from Western Europe to the Visegrad countries, the

Balkans, and the Nordic states. Chancellor Kohl understands his country's new status. He does not espouse the idea of power politics in a Hobbesian or Machiavellian sense but does believe that Germany has a right and duty to assume the obligations of a "normal" sovereign state.

In contrast with the situation during the Cold War, the Federal Republic's politics no longer reflect the situation that existed when the nation was divided in half by a fortified wall and West Germany had a large allied protector force stationed on its soil. Since the crumbling of the Wall, the Federal Republic feels more exposed to new types of security threats and risks. This has increased the determination of German politicians to ensure that peace is maintained on the European continent. Germany seems intent on using its new status as a "normal" state (that is, since reunification) to encourage neighboring countries to be constructive participants in a peaceful and stable world order. The Germans are still interested in avoiding unilateral decision-making, as they were during the Cold War, and want to "move in convoy" (sometimes in the lead and sometimes not). This idea of pursuing multilateral courses was illustrated by Germany's staunch support of NATO decisions during the Cold War and more recently by its deployment of Bundeswehr troops to Somalia.

According to German leaders, involving nations in multilateral international organizations would ultimately contribute to a more stable world order. Having peace in Europe means security for Germany. This could lead one to believe that Germany is actually pursuing its own interests as well as what Germans perceive to be the general interests of all of Europe. However, German interests seem to be obscured by the emphasis on what is called "moral" and "responsible" politics. Germany's strategy seems intent on expanding the membership of international institutions such as NATO and the EU in order to establish a "widening" zone of peace, prosperity, and stability, one that is favorable to Germany. However, the idea of "deepening" the integration of Europe may not be as important as one might think, especially when there are overriding national interests at stake, such as protecting the D-mark, controlling immigration, and refocusing

economic efforts to Eastern Europe. (The shift in priorities implies deemphasizing economic revitalization in southern Europe.)

German politicians have also mastered the art of appealing to feelings of historical responsibility and morality to further Germany's interests. For example, Defense Minister Volker Ruehe and President Roman Herzog have both made statements calling for the eastern expansion of NATO as a way to make up for past German wrong-doing during the period 1939-1945. In a recent call for Polish membership into NATO, Ruehe stated:

After all the suffering inflicted on the Polish people by German soldiers 50 years ago, it is of special importance for the reconciliation of our peoples that German and Polish troops are working so closely [on such] friendly [terms] together today.<sup>5</sup>

This particular method of atoning for the past and at the same time pursuing today's national priorities, albeit in a subtle manner, successfully pushes forward Germany's agenda and stymies opposition from the more pacifistic elements in German society.

## **B. GERMAN SECURITY INTERESTS**

Before proceeding further, it is important to understand what makes up German security interests. For the first time in its history, Germany is currently in an enviable position of having friendly countries on all of its borders. France cooperates so closely with Germany that their partnership is sometimes referred to as the Franco-German axis. According to Josef Joffe, Russia and Germany are now separated by about 1000 miles (excluding Kaliningrad and the Russian forces in Belarus), and the current relationship between the two countries seems non-threatening. The United States, sometimes described as the world's only superpower, is solidly aligned with the Western Europeans. Finally, because of its economic might, Germany is considered the economic "engine" that can best drive future prosperity in Europe. Instead of people wanting to leave Germany, the current problem is how to prevent unwanted immigrants from coming into the country. As a result, Germany's security interests directly relate to the challenge of balancing this array of responsibilities and opportunities, a task that is not as easy as it might seem.<sup>6</sup>



Complex issues force Germany to take a number of potentially conflicting political pathways. Germany wants to work with France in order to build a framework for greater European integration. However, the French approach to European integration does not always "harmonise" well with the Atlantic connection, one that Germany depends on and clearly values. Moreover, balancing politics among the individual eastern states is difficult, especially in view of the economic and political disparities between Germany and those states. Finally, Germany is caught in a "Catch-22" situation. It is expected and required to become a "civilian power", one that makes decisions which promote international peace. However, Germany must also be careful not to become too "assertive", because this could fuel *Angst* among smaller countries.<sup>7</sup> The domestic and economic constraints that affect Germany's alleged "assertiveness" in foreign policy are further analyzed in the next chapter.

As a result, Germany's interests can be summed up as follows: ensuring that friendly relations are maintained with all countries that could harm its security, establishing economic and political stability in Europe, maintaining a strong alliance and national force posture capable of handling threats to its sovereignty and able to contribute to the defense of Western Europe as a whole, and stemming the flood of migration entering Western Europe.<sup>8</sup> The remaining sections of this chapter analyze Germany's approach to each of these issues.

### **C. REDEFINING THE GERMAN FRENCH RELATIONSHIP**

After 1949, German-French relations evolved into what is known as the French-German axis. France and West Germany needed each other in order to further their own interests. France owned the comparative advantage in political leadership and assertiveness. By the mid-1960's, Germany held the edge in economic strength. Growing cooperation with West Germany was also a way for the French to channel their frustrations away from the troubles that they had suffered overseas. France also saw an opportunity to increase its influence in Europe and viewed Germany as a mechanism to attain political leverage over the remaining Western European countries. In Germany's case, World War

It reduced its ability to become a politically assertive country, but West Germans viewed the French connection as a way of legitimately asserting the Federal Republic's potential as an economic power.<sup>9</sup>

For a number of reasons, the other NATO countries did not view this growing relationship with alarm. The United States served as a counterweight against any significant ambitions that these two countries may have wanted to pursue. The integration of Europe during the Cold War had proceeded at a slow pace, and the other Western European countries were satisfied with the Paris-Bonn leadership arrangement since they were reaping the benefits of an economically strong Germany.

However, the situation changed with the demise of the Cold War and the reunification of Germany. With its newly acquired sovereignty, the Federal Republic gained more flexibility in developing and pursuing its own security policies. In addition, German politicians viewed international institutions such as NATO and the EU as tools that Germany could use to further its own interests and goals.<sup>10</sup> The issue now is not so much where policy decisions are made as whether such decisions can be formulated within the context of a supranational organization subject to significant German influence. German political influence may then extend across the face of Europe.

There is a growing tendency in Germany to redefine the relationship with France. Germany seems reluctant to subordinate itself to the French. Relations started to sour in 1989 when President Mitterrand seemed at some moments inclined to oppose German reunification. It was not due to pure chance that Mitterrand met with Gorbachev only eight days after Chancellor Kohl presented his reunification plan to the Russian leader. Mitterrand's intent was apparently to have Gorbachev stop the reunification process or at least slow it down. As the European Union "widens and deepens", France's ability to exert its influence becomes weaker. And, as Germany redefines its interests, it becomes less receptive to French security initiatives.

First, the countries have conflicting views on how the Central European states should be integrated into the European Union. Mitterrand wants to take a slower approach and has stated that the Visegrad countries may have to wait decades before they can

become members of the EU. This hesitation, on behalf of the French, stems from a combination of their own economic and political dilemmas and from a desire by Mitterrand to exact his own terms for a confederated approach. Germany, on the other hand, is advocating a quicker resolution to the economic quandary and political vacuum that exist in the eastern states, even at the expense of a shallower deepening of integration.<sup>11</sup> Germany has more at stake in that region than France, especially when it comes to security and migration issues. On the other hand, France is more concerned about Germany lessening its long-time support of the southern European states. This would almost certainly place a greater burden on the French. According to Jacob Heilbrunn:

...the EU has presided over a substantial transfer of wealth from the North to the South. Germany has contributed two-thirds of the entire net transfer totalling DM 133 billion. Given the costs of putting Eastern Germany back on its feet, the Germans have little enthusiasm for further massive EU outlays, and German ire in this respect is particularly directed at France.

Germany now wants to direct financial resources away from the South and towards its eastern borders, an area more important to Germany's security interests.<sup>12</sup> Regional interests are also diverging for both countries, with Germany focusing more on Russia and France becoming more preoccupied with North Africa. Another growing rift between the two countries concerns the issue of a common European currency. France wanted governmental control over the European bank, on the model of the French state's control over the *Banque de France*. However, Germany insisted on a financial institution that was independent of governmental control similar to the *Bundesbank* and the Federal Reserve in the United States. Much to the chagrin of the French, the Germans not only succeeded in their bid to have an independently run EU financial institution, but they also succeeded in moving the financial seat of the EU to Frankfurt, the home of the *Bundesbank*. In addition, the Deutschmark was used as the monetary standard for the European currency unit (ECU), a situation which forced member states to tie their currencies with the value of the D-mark.<sup>13</sup> This particular plan has since failed, but it will be reevaluated in a few years.

Finally, on the issue of defense, Germany will no longer tolerate being "tied down" while France does whatever it desires. Many of the French want to weaken the importance of the Atlantic Alliance and take a more "Fortress Europe" approach towards integrating Europe.<sup>14</sup> However, this poses a dilemma for Germany. It is in Germany's best interests to avoid an "exclusively European" or an independently "bilateral" U.S.-German relationship. Germany finds it imperative for Europe and the United States to work together.<sup>15</sup> Germany considers both France and the United States vital to the integrated defense of Europe. So when France threatened to totally withdraw its troops from Germany shortly after reunification, Chancellor Kohl worked with President Mitterrand to develop the proposal for the formation of a European Corps. The German motivation behind this new organization was to tie the French into a more cohesive European security strategy. This initially alarmed other NATO members, especially the United States. The Eurocorps was viewed as an attempt by France and Germany to disassociate themselves from the Atlantic Alliance, hence weakening NATO. However, Germany merely intended to draw the French into a closer relationship with NATO and prevent the French from pursuing a unilateral European security strategy. Secondly, Germany wanted to maintain a variety of allied troops stationed on its soil in order to ease apprehensions. Additionally, the Bonn government believed that having only U.S. and British soldiers stationed in the Federal Republic might be construed by some as a policy of an entrenched alignment with the more traditional Atlantic Alliance supporters.

Germany soon realized that it needed to balance its commitments with France and NATO. Germany, without first consulting the French, supported the British proposal for NATO's ACE Rapid Reaction Corps. This offended Mitterrand because it showed that Germany was still continuing its long-time practice of trying to please everyone.

Germany currently has three army corps. One of the corps is subordinated to the Eurocorps, one to the Rapid Reaction Corps, and one to its territorial defense forces. This last corps is stationed in Germany's eastern provinces. By subordinating the majority of its forces to NATO and the Eurocorps, Germany has succeeded in accomplishing what

it wanted to do: to tie the French into a closer alliance commitment and simultaneously to ensure that the United States remains a key ally in NATO.<sup>16</sup>

#### **D. ESTABLISHING SECURITY IN EASTERN EUROPE**

Germany's greatest security concerns lie along its eastern border. In order for stability to prevail in Europe, thereby enhancing Germany's security, the eastern states must be successfully integrated into the economic and security framework of Western Europe.<sup>17</sup> The security challenges facing Central Europe alarm Germany. Threats that affect Germany from the East include the influx of refugees fleeing political turmoil and economic hardship. Moreover, Germany depends on Russia for strategic resources such as natural gas. Fears persist in Germany that additional conflicts could sprout in that region. This could result in "collateral damage" to Germany in the form of refugee migration, nuclear catastrophe, and ecological disasters. The Chernobyl disaster increased an already high level of anti-nuclear sentiment in the country. In addition, Germany is still facing a tremendous task of revitalizing its eastern region, which is an ecological and economic disaster zone. Similar economic and ecological problems persist in Central Europe and Russia. Finally, Germany is concerned about the political vacuum that exists in the region. Russia cannot be written off as a weak power. Germany knows that it is in its best interests to quickly establish some sort of long-term security and economic arrangement in central Europe in case a neo-nationalistic Russia emerges on the scene.<sup>18</sup>

It is important to analyze the migration issue and its impact on German security. In 1992 alone, Germany received an influx of 400,000 refugees, which was the most for any European country. Not only was Germany forced to provide for these refugees, but it was simultaneously funding the withdrawal of the former Soviet Western Group of Forces stationed in its eastern states. The Russian troop withdrawal was directly related to the number of houses Germany built for the returning troops. Additionally, Germany continued to worry about the two million ethnic Germans living in Russia. If economic hardships persist there, many of these ethnic Germans may attempt to migrate back to the

fatherland. This would severely tax the Federal Republic's already overburdened resources.<sup>19</sup>

Germany's ability to help come up with a lasting solution to the problems in the East may directly affect the level of stability and prosperity in the German state. Of the refugees flowing into Western Europe from the Balkans, 300,000 of them settled in Germany. No other European country came close to harboring so many refugees. In contrast, Italy, the second leading nation to accept refugees from that region, took in only 20,000 people.<sup>20</sup>

The problems associated with migration are compounded by German xenophobia. The perception that foreigners destroy societal cohesion and orderliness helps fuel this fear of foreigners. German citizenship laws, unlike in the United States, are based on bloodlines. The country's *Staatsbuergergesetz* dates from 1913 and has been criticized as being unrealistic and racist. Second- and third-generation foreigners who have lived all their lives in Germany have fewer citizenship rights than a third- or fourth-generation Russian of German descent. Although the law has undergone several modifications since 1913, it still penalizes foreigners that have assimilated themselves to German society. Second- and third- generation foreigners that have lived all their lives in Germany must still tackle a wall of red tape in order to change their citizenship. Even after the lengthy process, the applicant must prove in a court of law that he is *Buergerfaehig*, one who is worthy of German citizenship. As a result, most foreigners become discouraged and make no effort to change their citizenship. Others do not change it for fear of being ostracized by their own ethnic group and of being treated as outcasts in a racially homogenous German society.

Secondly, Germans are emphatic about preserving law and order. Since the turn of the decade, the German people have expressed alarm about what they believe is a breakdown of civic order. This breakdown is perceived to be partly caused by the influx of refugees. Although the recent flood of refugees is small in comparison with the migration that followed after Germany's territorial losses in World War II, the current situation is not the same. Most of the post-1945 refugees were easily absorbed into

German society because of their essentially German political and cultural background. However, the current generation of immigrants entering Germany present some complex problems that are difficult to resolve. Migration not only includes outsiders coming into Germany but eastern Germans moving to the more affluent western regions. These displaced people represent three distinct groups that are categorized as such: *Ubersiedlers*, Germans from the former GDR; *Aussiedlers*, Eastern Europeans and Russians of German descent; and asylum-seekers, refugees that have no ethnic ties to Germany but are seeking refuge from political persecution. From 1989 through 1991, the number of people entering or migrating within the Federal Republic from all three groups totalled in the millions. Prior to this period, less than 100,000 foreigners annually immigrated to the Federal Republic.<sup>21</sup>

The ongoing foreigner issue has compounded problems in other areas of society as well as causing upheaval and *Angst* among Germans. Germany suffers from high unemployment. Even cities in the western half of Germany like Schweinfurt and Bremerhaven have suffered unemployment rates totaling some 15% of their work force. Affordable and decent housing is becoming scarce. More than a million additional units of living accommodations are still needed to house Germany's population.

As a result, many frustrated Germans have vented their anger on foreigners, whom many perceive as being the root of Germany's economic and societal woes. In 1990, there were 270 reported attacks on foreigners in Germany. By 1992, that number exceeded 2000.<sup>22</sup> Some observers maintain that the government exacerbated the problem by housing refugees throughout the country. Prior to the start of the 1990's, the settlement of refugees was done in a manageable fashion, with relocations occurring in predominantly urban areas. However, as the decade progressed, the migration problem grew; and it soon became a serious domestic crisis. Refugees that were earlier situated in urban areas were now resettling in the more conservative rural sectors of Germany. As a result, attacks on foreigners have occurred throughout the country and at all levels of society.<sup>23</sup>

## E. SETTLING PROBLEMS IN THE EAST

Germany has taken some steps designed to deal with the problems on its eastern border. These actions invariably further German interests. German politicians will not openly admit that the best approach to settling the eastern problems is to incorporate a responsible (if not hidden) level of "power politics" in their policies. Failure to incorporate the idea of "national interests" in these policies could, Hans-Peter Schwarz has argued, prove disastrous for Germany's security and could rekindle the dampened spirits of hardline German extremists.<sup>24</sup>

The reason for the dismal support for the reactionaries in the October 1994 election was the ruling coalition's decision to adopt a firm approach in dealing with the refugee problem. Germany's stringent new asylum laws took the steam out of the extremists' anti-foreigner position.<sup>25</sup> Another reason for seeking unilateral solutions to the migration problem is German frustration with the allies. The other members of the European Union have been slow to react to the problems in Central Europe and have left Germany to shoulder most of the burdens in the East. As a result, Germany has signed unilateral repatriation agreements with Eastern European countries in order to expedite the return of refugees back to their home countries. In the process, Croatians, Bulgarians, and Gypsies are currently being sent home.<sup>26</sup>

Germany has also shown that it is capable of making assertive decisions against the wishes of its allies in order to further its own interests, which include supporting the right to self-determination, at least with respect to some nationalities. This was the case in December 1991, when the Federal Republic recognized Slovenia and Croatia. In another case, German fears of inflation propelled Germany to pursue an exceptionally eager approach to establishing a common European currency based on its own terms.<sup>27</sup>

Germany's Defense Minister, Volker Ruehe, has been the most outspoken advocate for extending NATO to the Visegrad countries. By "widening and deepening" international security institutions such as NATO, Germany seems intent on creating a "stability zone" along its most unstable frontier.<sup>28</sup>



Germany's economic prowess in the region is growing as well. Aid to Russia from the Western world is mostly provided by Germany (often under strict German credit terms). In addition, the Federal Republic is successfully incorporating the Eastern countries into its economic sphere of influence. Although establishing such a sphere of influence may not be a conscious German foreign policy course, it has de facto become the case. Others have argued that Germany has always sought economic domination over the East as a way to pursue foreign policy goals.<sup>29</sup> Although only 4.1 % of Germany's imports came from the Czech Republic, Poland, and Russia in 1992; one-third of all Eastern European trade is with the Federal Republic, which is making that area ever more dependent on the German economy and not vice versa. German trade and investments have become so influential in the region that there are currently calls for Russia to relinquish its sovereignty in Kaliningrad, openly referred to as Koenigsberg by many Germans, and to turn the enclave into a free-trade zone.<sup>30</sup> Calls for the neutralization of Kaliningrad are also being pursued by Lithuania and Poland, both of which perceive the Russian enclave as a threat to them and not as an asset to be used against any possible German revisionist tendencies. German-owned businesses are emerging in the East, and both the German public and private sectors are actively providing services in order to shape the region into a free-market zone well-disposed to German economic interests.

#### **F. NATO AND THE UNITED STATES COMMITMENT**

It is widely acknowledged that the biggest winner in the aftermath of the Cold War was Germany. However, Germany could become the biggest loser. If the United States pulled out of its commitment to NATO and Germany's defense, the Federal Republic could potentially face the worst possible threat scenario that it has ever faced since 1949. Germany's leaders, especially those of the ruling coalition, maintain that future stability in Central Europe clearly rests on the assumption that the United States will remain committed to the collective defense of the NATO countries. Germany feels uncomfortable about relying on a French-driven security plan which calls for a European security strategy

that would minimize the role of the United States and, by some accounts, would only include the United States in situations dealing with Moscow.<sup>31</sup>

Germans remember the part that the Americans played in preventing a Third World War. The United States was the only country that could counter the Russians and proved it during the Berlin crises and the Cuban missile crisis. The United States is also viewed by German politicians as a power broker, one that is well-disposed towards Germany's policies. The United States also provides an insurance policy to protect Germany against any future neo-nationalistic movement that may arise in Russia, one that might want to readjust borders. Most important, Germany depends on the United States for its nuclear protection guarantees. Germany could be vulnerable to political blackmail if it did not have nuclear assurances from a credible ally. Finally, German leaders realize that it is wiser to remain allied with the world's only superpower than to take a chance at trying to establish some type of security union with militarily weaker and sometimes politically unstable allies.<sup>32</sup>

Germany values NATO as a safety net and as a means to further its own foreign policy interests. When it comes to ensuring its territorial sovereignty, Germany stresses the importance of the collective defense aspect of the organization. However, a clash has been apparent between the defense and foreign ministries over the issue of NATO expansion in the East. The differences over NATO's expansion constitute an example of a growing rift over established policy principles. Foreign Minister Klaus Kinkel wants a more moralistic collective approach to security in Europe; whereas Defense Minister Volker Ruehe wants Germany to pursue a *Realpolitik* approach to the security issue. Ruehe and General Klaus Naumann are credited with leading the call for a quick eastern expansion of NATO and have recently enlisted the support of the Clinton administration and a majority of the NATO parliamentarians. In addition, Ruehe has been more blunt than U.S. Defense Secretary William Perry about the exclusion of Russian membership in NATO. Ruehe's comments on Russian exclusion include the following:

If Russia were to become a member of NATO, it would blow NATO apart...It [NATO] would not work. The Poles are learning English for NATO but the Russians want us to learn Russian. It [Russia] cannot be integrated.<sup>33</sup>

However, Ruehe faces an uphill battle with the Chancellor, Helmut Kohl, who has to remain allied with his more liberal coalition partner, Klaus Kinkel, in order to ensure his government's political survival. Kohl and Kinkel oppose an accelerated non-EU binding expansion of NATO. In other words, Kinkel wants to link NATO membership directly with EU expansion, however long that process may take. Kinkel's ultimate goal is to have a Europe that has an "enlarged and deepened EU and an expanded Atlantic alliance, supplemented by a system of cooperate security supported by the CSCE/OSCE and supplemented by a network of...relations...with ...Russia." Kinkel believes that if membership is open to only a certain number of countries, then a more greedy power [Russia] will incorporate those excluded areas into its zone of influence. Kinkel advocates showing consideration for Russia and "moving in convoy". According to Kinkel, Germany should not initiate unique and controversial foreign policy proposals. On the other hand, Ruehe's primary concern, as the Defense Minister, is for the security of Germany. If NATO countries were between Germany and Russia, the Federal Republic would become that much more secure. As General Naumann has stated, "Establishing the NATO boundary at the Oder and Neisse rivers would be...a...dividing line. That cannot be in our interest and for this reason we are in favor of...[the] enlargement of NATO and the EU."<sup>34</sup>

#### **G. WILL GERMANY LEAN TO THE EAST?**

It is important to stress that Germany will, in all likelihood, remain entrenched in the Western European security camp. The important issue for some observers is whether Germany will return to a policy of *Schaukelpolitik*, a swaying between the East and West.

Germany realizes that Russia will remain the biggest threat to its territorial sovereignty, and that only the United States can provide the assurances needed to

counterbalance such a threat. Historically, the Federal Republic of Germany has proven to be a faithful NATO ally.

The Federal Republic of Germany is credited with establishing a set of principles which it has consistently maintained. After Germany suffered through two world wars, Nazism, and the Weimar Republic, Adenauer and his successors have steered a course that stressed human rights, the integration of all of Europe, and the limitation of central state power. These principles were reflected in West Germany's new post-1949 character and even in its new name: the Federal Republic. West Germany's constitutional structure was extended to East Germany in 1990. Since 1949, the Federal Republic of Germany's principles have stood the test of time.<sup>35</sup> Even the SPD accepted Germany's membership in NATO as being a vital part of the Federal Republic's security posture and continues to support European integration efforts. When Gorbachev agreed to reunification in 1990, he initially stipulated that Germany could reunite only if it ended its association with NATO. It took only a few months for Gorbachev to realize that he was placing an unreasonable condition on Germany. When the wall tumbled in 1989, it was the East Germans that fled westward and not the West Germans moving eastward.<sup>36</sup>

Some argue that Germany is courting Russia and even placing itself under its influence, partly due to tradition and partly due to fear.<sup>37</sup> As a result of the "Two plus Four" Treaty, Germany gave up some of its rights as a nation-state by agreeing to size limitations on its armed forces and reaffirming commitments not to obtain NBC weapons. However, these agreements should not be construed as giving in to Russian demands. German motives were driven by other factors, such as securing the flow of natural resources from Russia. Germany also wanted to contain the western movement of the two million ethnic German *Aussiedlers* living in Russia.<sup>38</sup>

In addition, the "Two plus Four" Agreement could be interpreted in a quite different manner. Some believed that Chancellor Kohl could have argued for a higher troop strength for the German military if he had really wanted to do so. However, with these military limitations, Kohl could now successfully argue against any future calls by NATO, the U.N., or the United States to increase the size of German forces in the event

of a future crisis.<sup>39</sup> Having its hands tied in advance, as during the Cold War, has proven to be quite favorable for Germany. Since its defeat in 1945, Germany has yet to suffer a Vietnam or a Korean War and has only lost one soldier to a combat-related incident.<sup>40</sup>

Moreover, Germany has no real compelling desire to arm itself with nuclear weapons. Instead of feeling a sense of insecurity, Germany's approach is one of cajoling others into eliminating nuclear arms or preventing the proliferation of nuclear weapons. Germany has not taken the opposite approach of pursuing a nuclear weapons capability because others have them. Germans are opposed to nuclear proliferation and support for developing a nuclear arsenal in order to combat such a nuclear threat is supported by less than 15 % of the population.<sup>41</sup>

Instead of Germany leaning to the East or taking a seesaw approach between the East and West, Germany remains firmly anchored in the West. In addition, it has also taken further steps in its approach to the East by moving political attitudes in that region more westward.<sup>42</sup> Germany has in fact successfully changed the political attitudes of the Eastern Europeans. When the Poles were asked who they thought was the biggest threat to the region, many responded that Russia concerned them the most. Only four years earlier, the threat perception was more to the west. Germany at that time was viewed as a threat to Poland.<sup>43</sup> In essence, Germany is succeeding in its pursuit of national interests in Central Europe and is doing so in a manner that soothes the concerns of Central Europeans (excluding Russia). As a final argument, it would seem ludicrous to think that a conservative Germany would risk giving up its favorable security posture in order to appease a weak and unstable Russia. Germans do not readily accept change. Germany has gone through three generations without a war and will probably not pursue radical deviations from its current policies since they have worked so well in the past.<sup>44</sup>

## **H. SEEKING A WORLD POWER STATUS**

Since reunification, political experts have attempted to determine how far Germany may actively pursue its place in the world as a global decision-maker. Some politicians

in Bonn have called for Germany to become a permanent member of the U.N. Security Council.

It is important to note that Germany's military has some serious weaknesses that prevent it from attaining a super- or (by some definitions) even medium-size power status. (The Bundeswehr's weaknesses are further examined in the next chapter.) Germany and Japan might become the only permanent members of the U.N. Security Council without nuclear weapons. The Bundeswehr has not proven its worth in combat, and the likelihood that it will is questionable, at least in the foreseeable future. The military is even smaller than what was agreed upon in the "Two plus Four" Treaty. It has no strategic lift or long-range air assets and has inadequate C3I and logistical capabilities. All of these factors hinder Germany's ability to adequately project its military.<sup>45</sup> Most important, German politicians have yet to endorse the use of force even during times of crisis (for example, in defense of Saudi Arabia or in Bosnia peacekeeping).

However, some German politicians argue that Germany deserves a position as a world decision-maker. Because some German political leaders discount the importance of military force, they see the inadequacies of the Bundeswehr as irrelevant factors in Germany's desire to attain a world power status. What some Germans have trouble accepting is that France and Great Britain have more global decision-making power than the Federal Republic. The current structure of the U.N. Security Council is, in their view, archaic and reflects the old post-1945 power arrangement, one that is no longer applicable in today's world order.<sup>46</sup> Finally, Germany can successfully argue that it financially contributes more to the world body than most countries.

The motivation for pursuing a permanent seat on the Security Council stems not from a nationalistic desire to attain a world power status but from sentiments of obligation and morality. Volker Ruehe's interpretation of President Clinton's call for Germany to be a partner in leadership with the United States (a call initiated by President Bush) is that Washington wants Germany to bear more of the burdens of international responsibilities but not in a unilateral fashion.<sup>47</sup>

The notion of Germany becoming a world leader was initiated by Germany's previous Foreign Minister, Hans-Dietrich Genscher, and has been continued by Klaus Kinkel. The term coined by the FDP for such an approach is *Weltinnenpolitik*, translated to mean "world domestic politics." Principles behind *Weltinnenpolitik* include finding solutions to the world's problems through non-military means.<sup>48</sup> Germany's foreign policy was primarily developed by Genscher, who as the foreign minister from 1974 to 1992, advocated the following approaches to German foreign policy:

- 1) Germans are obligated to contribute to confidence-building in Europe because of their historical responsibility.
- 2) Security should ensure that wars are not waged at all.
- 3) The West should not use its strength as a lever but rather as a vehicle for cooperation.
- 4) NATO and the Warsaw Pact should be combined into a collective security system.<sup>49</sup>

Genscher's and Kinkel's public statements provide little indication that Germany wants a permanent seat on the U.N. Security Council in order to pursue national interests. Instead, Germany wants to influence the world with "morality" and solve global problems in a "responsible" manner.

With Germany facing more pressing domestic issues, the importance of pursuing a world leadership role becomes less relevant. Even if German politicians decided not to pursue a permanent seat on the Security Council, German citizens would hardly object so long as their politicians remained focused on the real issues facing Germany, which are combating unemployment and dealing with Eastern Europe.<sup>50</sup>

## **I. CONCLUSION: ARE GERMANY'S POLICIES SOUND?**

Germany has two assets which complement its security policies. First, Germany has patience. Politicians in Bonn do not like to stir up controversy; and seeking quick decisions regarding European security and integration would result in problems at home

and abroad. A recent example of this sensitivity was provided when Wolfgang Schaeuble, head of the CDU faction in the Bundestag, suggested that Germany and a "hard core" group of countries accelerate the European Union's integration process and leave others to catch up or remain in a lower-tiered status. This not only sparked criticism throughout Europe but also within the German ruling coalition. As a result, Germany has cautiously proceeded with this idea. Schaeuble and others may have suggested it out of frustration because of certain European integration set-backs.<sup>51</sup>

Secondly, German leaders are not uniformly naive when it comes to understanding the world of *Realpolitik*. Hans-Peter Schwarz has argued, however, that Germany has yet to balance a "moderate" level of power politics with its *Moralpolitik*. The problem for Germany is finding legitimate means of pursuing power interests in situations that require assertiveness.<sup>52</sup> The CSCE/OSCE is currently unable to carry out the security role that some politicians in Germany would like it to play. Hence, Germany continues to emphasize the importance of its close relationship with the United States and NATO. This relationship has stood the test of time and is widely accepted by the German people. Even members of the Alliance 90/Green party believe that Germany should retain its membership in NATO.<sup>53</sup>

Germany's close relationship with France seems intact. The Federal Republic is aware that it cannot pursue its interests if it merely follows the lead of the French. So far, the Germans have shown the French that they will cooperate in furthering economic and security integration in Europe but only as long as it does not conflict with more pressing German interests. The onus of responsibility for making sure that this relationship remains intact lies more on the French. The French have realized that the end of the Cold War changed Germany's status as a sovereign country. It would be wiser for France to follow the advice of a British group of experts that Paris "should be nice to the Germans" instead of trying to include the Federal Republic in a French sphere of influence.<sup>54</sup>

Finally, Germany has undertaken the vitally important task of trying to promote economic and political stability in Eastern Europe. It is an area that Germany has come to accept as vital to its interests. According to Ruehe, failing to expand the EU and



NATO in an eastern direction would establish for Germany a "border that represents security on one side and insecurity on the other; prosperity on one side and poverty on the other."<sup>55</sup> In dealing with the East, Germany is reluctantly pursuing limited unilateral policies. What Germany is having a difficult time accepting is the importance of power factors in East European affairs. According to Jacques Rupnik, "National interest and the balance of power rather than a policy based on ethical values and the promise of a 'new world order' are the motto of the day for Central Europe's relations with Germany."<sup>56</sup> Although there is a clear need to take a more assertive stance in foreign policy, Germany faces numerous constraints. The following chapter examines these constraints, especially cultural and economic ones.



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### **III. CONSTRAINTS ON GERMAN ASSERTIVENESS**

The purpose of this chapter is to answer the following question: Will Germany assume a greater leadership role in international affairs? Germany, a member of the G-7, is already an economic superpower that commands the respect of every country in the world. It provides a major portion of financial burden sharing to the following organizations: 9% of the UN's budget, 22.8% of NATO's, and 30% of the European Union's (EU) budget. Not only is it rebuilding its eastern half, but it is also providing two-thirds of the capital flow into Eastern Europe.<sup>1</sup> The issue, however, is not Germany's expanding economic prowess but its ability and willingness to participate in dealing with international security challenges. First, this chapter begins by analyzing the contemporary German fear of nationalism and discusses its impact on Germany's ability to assume a more assertive role, especially a more military one in solving the international security problems that have cropped up since the end of the Cold War. The emphasis is on the impact of World War II on German political culture. The analysis then focuses on the political apparatus and explains how certain recent political events affect Germany's ability to increase its leadership role. This chapter then discusses the factors outside Germany which influence the equation. Finally, it shows how some contemporary decisions and events may increase the prospects for a more assertive German state.

#### **A. THE EFFECT OF WORLD WAR II ON THE GERMANS**

Germans still seem to suffer from a pessimistic, guilt-ridden inner feeling and are serious-minded people in the truest sense of the word. Most German newspapers do not print comics, and many schoolyards do not have playgrounds. Most importantly, "few Germans have any taste for militarism, for they have seen what it can lead up to. Germany has accomplished so much more by peaceful economic means than it could ever obtain by warlike means."<sup>2</sup> As Richard Lowenthal pointed out in 1978, Germans have little to be proud of when it comes to looking back on their pre-1945 political history in

the twentieth century. They suffered bloody annihilation in two world wars, lost their life savings in several depressions, and failed repeatedly at democratic reform.<sup>3</sup>

Physical reminders of World War II exist in Germany today. Churches and downtowns, such as Albrecht Dürer's medieval Nuernburg and the *Frauenkirche* in Munich, were destroyed or heavily damaged. On the other hand, the Wehrmacht and the SS barracks, now occupied by NATO forces, suffered more damage from the effects of weather than from bullets. The *Reichsgelände* in Nuernburg, which was made famous by the annual September Nazi party rallies, was not even bombed during the war. Neither was the *Haus der Kunst, neues Rathaus*, nor the *Fuehrerbau* structures in Munich.<sup>4</sup> These buildings continue to represent symbols of the Nazi past. Hitler's success in winning over the masses was partly accomplished by building certain symbols of grandeur in prominent places. The above mentioned buildings are ever present reminders of Germany's Nazi past; and, unfortunately, they occupy some of Germany's most visible real estate.

Deliberate reminders of past wars remain today. Most towns and cities dedicate prominent memorials to their local fallen soldiers. Church worshippers walk by tablets of the town's *vermissen* (missing soldiers) with churchyards filled with graves or memorials to fallen soldiers of both world wars. These memorials are adorned with pictures of the deceased mounted on gravestones or church walls. The Nuernburg party grounds are now historical landmarks and are under federal protection. Most downtown structures reconstructed after 1945 preserve an area of the structure to exhibit the effects of the allied bombing raids.

However, all is not wrought with pessimism in Germany. Germans are quick to remind others of their contributions to humanity. Every town seems to have a bridge or street dedicated to Von Stauffenburg, the anti-Nazi martyr. Erwin Rommel is a hero to many Germans, and his son, Manfred, has made a name for himself as the mayor of Stuttgart. One of Germany's frigates is named the *Rommel*, and was deployed in the Adriatic to enforce the U.N. embargo of the former Yugoslavia. The contributions of Bach, Goethe, Dürer, Einstein, Kissinger, von Braun, Roentgen, Siemens, and many others evoke pride among Germans. Annual *fests* and events commemorate local



medieval traditions and often gain international celebrity (*Oktoberfest* and *Fasching*). The RAND Corporation conducted a study on German self-confidence and found that the Germans rated themselves as a positive global role-model for social justice, individual freedom, affluence, and culture. The Germans polled were even willing to accept a greater international role for their country. However, military roles were unacceptable, especially defending the security of allies, protecting states against aggression, and balancing the actions of Russia.<sup>5</sup>

Although self-confidence may help foster a better domestic climate for a more assertive Germany, history, realism and seriousness about life are important societal and cultural factors that contribute to German hesitation in assuming such a role. The Vietnam War and the ongoing issue of accounting for missing American servicemen continue to affect American foreign policy, especially the commitment of ground forces. However, the number of Americans lost in Vietnam pales in proportion to the number of German soldiers lost during World War II. For example, the number of German soldiers lost in the Stalingrad campaign alone was four times greater than the number of Americans killed in the entire Vietnam War. German war widows continue to anguish over the loss of their loved ones. During the 50th anniversary of Stalingrad, German and Russian journalists produced a joint television series documenting the six-month campaign, showing footage filmed on location of veterans poignantly recounting their tales of horror. The pain really hit home for the Germans when the Russians, either as a token of reconciliation or to sharpen the pain, returned several mail bags from long-lost German soldiers back to the German government, causing a flood of inquiries from some 20,000 war widows.<sup>6</sup>

Attempting to weaken the war-guilt feeling among the Germans can only occur after these World War II anniversary years are over in the middle of 1995. Germans today are still facing the reality that they must atone for their past; and they continue to do so, as witnessed by President Roman Herzog's attendance and speech at the 50th anniversary observance of the Warsaw uprising held in August 1994. Herzog clearly stated in his address to the Poles that Germany still has regret for what happened during the uprisings and made statements favorable to opening NATO and EU membership to Poland.<sup>7</sup>

Although the apologies for German behavior in World War II were conciliatory, critics might contend that some Germans are using such occasions to further their interests by obscuring them in "moral" gestures and speeches that atone for the past.

Finally, the mass media heavily reflect German realism. Unlike in America, news is shown during commercial-free primetime, usually around 2015 hours on the three partially government-supported non-cable stations. The news format focuses on international or domestic events that are of interest to the general public. There is no local television news, and media reports are short and concise. However, German citizens receive more information concerning worldwide issues than their American counterparts for several reasons. News is aired at the top of each hour on every AM and FM radio station. Germans are also more exposed to the international world. Practically anyone can get in his car and drive no more than four hours and be in any of the nine countries bordering Germany. German television news broadcasts may be short, but the important issue of the day is given thorough treatment. Of a 20 minute news program, half of that time is dedicated to the top story of the day. In contrast, most Americans receive brief television news accounts that are designed to attract viewers.

A country must have a sense of confidence before it can take on the task of solving global problems. Americans, Frenchmen, and Britons have accepted the deployment of their troops to combat aggression or to alleviate political problems in areas such as the Persian Gulf, Panama, Somalia, and Rwanda. This is characteristic of countries whose citizens are openly patriotic, or at least, do not fear national pride. On the other hand, Germans clearly understand the issues but seem reluctant to involve themselves, especially when it includes military risks and when it implies devoting less attention to pressing domestic problems. This behavior justifies Schwarz's contention that Germans are serious thinkers that hesitate to do anything, "*Gedankenschwer und tatenarm*."

According to a RAND study, finding solutions to the world's problems is of only secondary concern for many Germans. Over 70% of the Germans believe that the priority tasks facing their country involve solving problems concerning extremism, economic unity, and ending the war in the neighboring Balkan region. The latter issue seems to be

more fueled by the refugee problem, which is domestically affecting the Germans, than any other reason. U.N. peacekeeping missions, demanding a seat on the Security Council, or strengthening the European Union were considered priority issues by less than 40 % of all respondents.<sup>8</sup> Many Germans appear to have embraced a 1992 Clinton campaign slogan which stated, "It's the Economy, Stupid!" This slogan clearly represents German attitudes about involvement in foreign affairs.

The relative risk-averse and anti-military attitudes of the post-1945 generations of Germans are described by some as being quite disturbing. Even in the White Paper 1994, the Defense Ministry acknowledges that the Bundeswehr's image needs to be improved. Although the military is based on conscription, it still maintains a major advertising and public relations campaign in order to attract recruits.<sup>9</sup> The Bundeswehr is in constant competition with more civilian-oriented organizations that offer young men alternatives to military service. The outgoing Bundeswehr Defense Commissioner, Alfred Biehle, stated that "obligatory military service is threatened in Germany." He went on to say that 28 % of those that were eligible for military service in 1994 opted instead for civil service. Of those inducted into the military, only 7 % said that they would be willing to serve in any capacity, including "out of area" missions. He also stated that those who enlist are increasingly looked upon as "the nation's fools."<sup>10</sup>

Another instance of dissent includes the rise of the Green Party in the 1980's. In March 1983, at the height of the INF controversy, the party received enough votes to overcome the 5 % hurdle and won 27 seats in the Parliament. This was striking because this party's agenda contradicts the conservative values that dominate German society. Once the controversy ended, the party lost support. In federal elections in January 1987, the Greens won 42 seats in the Bundestag - but only 8 seats in the December 1990 elections, which were dominated by national unification issues. The Greens garnered 7.3 % of the vote (and 49 Bundestag seats) in the October 1994 national election. Environmental and economic issues appear to explain the Greens' resurgence.

During the Persian Gulf War, the German public seemed to take a more serious approach to the whole affair than did the American public. Americans were engaged in

combat, yet the Super Bowl was still played in front of record crowds. On the other hand, Germany, which had no combat forces directly engaged in the 17 January to 28 February 1991 conflict,<sup>11</sup> canceled *Fasching* and dedicated extensive media coverage to the operation. Although support for allied operations turned overwhelmingly supportive after the commencement of operations, only 30% of the Germans polled in January 1991 supported the use of force in order to end Iraq's occupation of Kuwait.<sup>12</sup> German support for such a mission in the future involving the Bundeswehr, even though the campaign was so successful, has actually waned since 1991.<sup>13</sup>

## **B. POLITICAL INSTITUTIONAL CONSTRAINTS: MILITARY**

In addition to these societal challenges, the central governing institutions also have characteristics that inhibit Germany in seeking a more influential foreign policy role. Public statements from politicians note that Germany must assert itself as a world leader but differ on exactly how Germany should pursue such a role. The German Chancellor, Helmut Kohl, has been at the forefront of the debate, advocating the extension of the Bundeswehr's role outside of Germany and even outside of Europe in support of U.N.-sanctioned missions.

One can argue that the Persian Gulf War of 1990-1991 forced the Germans to realize that Germany must increase its leadership role in order to remain an important actor in the realm of world politics.<sup>14</sup> More recently, in response to President Clinton's call for Germany to assume a greater international leadership role, Chancellor Kohl replied:

...America needs a Europe that assumes greater responsibility for itself and for international security.... We Germans want to and must shoulder responsibility alongside our partners.<sup>15</sup>

He also said:

One cannot be a reunified country with 80 million people with the kind of economic strength that we have, with the kind of prestige we claim for ourselves, if we do not fully assume our responsibilities and fulfill our obligations.<sup>16</sup>

In the White Paper 1994, the German government outlined its foreign policy goals. The Bundeswehr's established tasks and missions all reflect an increased need for Germany to prepare for participation in "out of area" operations in support of NATO and U.N. operations. As a result of Germany no longer being a "front-line country", the Bundeswehr is assuming three new tasks: to work in conjunction with NATO forces outside of Germany, to contribute to missions in order to prevent international turmoil, and to participate in humanitarian and other types of special missions.<sup>17</sup>

Some statements and decisions suggest that German politicians are preparing their constituents for a more assertive role in foreign policy. However, it is questionable whether German political institutions and politicians are fully prepared for such a role. Politicians calling for Germany to increase its role in world policy issues are quick to point out that it should only be done with the approval of and in conjunction with other countries, especially Germany's partners in the EU and NATO. To expect Germany to play a leadership role similar to the one America played in winning support for armed intervention against Iraq is premature, to say the least.

Even the White Book 1994 explicitly states that "Germany will never act alone, but only with its allies and partners",<sup>18</sup> which is to say that it will continue to "move in convoy". The Bundeswehr is reducing its size because of the post-Cold War situation and as required by the Two Plus Four Agreement. By 1996, the Bundeswehr's strength will be 340,000, which is 30,000 less than required by the Agreement. Saving money is clearly the major influencing factor. Conscription periods will also be shortened from 12 to 10 months.<sup>19</sup> This is a substantial decrease from the 1980's, when the Bundeswehr, representing only West Germany's military, employed 480,000 soldiers serving conscription lengths of 15 months.<sup>20</sup> The military has no strategic lift or long-range logistical capabilities. Germany does not have C-5A aircraft, aircraft carriers, or long-range bombers, all of which are essential for a United States-style strategic posture.

The Bundeswehr has undergone a substantial reduction in force. For example, under the German Army Structure 5 plan, the field artillery component has about 37

combat capable artillery battalions, down from 76 battalions. In addition, the artillery ceased its nuclear mission, reduced its force level by 50 %, and no longer has assets at the corps level. According to interviews with several Bundeswehr officers, active duty organizations rely on augmentees and conscripts. If forces are mobilized in Germany, many units could not deploy without these augmentees. Mobilizing German forces would then add a new dimension to a call-up of forces. Using conscripts or mobilized reserves for "out of area" missions would certainly result in political controversy and, as mentioned earlier, is unpopular among inductees.<sup>21</sup>

### C. POLITICAL CONSTRAINTS

Not only does the government have to contend with an ever-shrinking military, it also has to resolve some organizational dilemmas. The German government faced some problems recently as a result of its involvement in the Rwanda relief effort. The humanitarian mission involved four ministries: the defense, interior, foreign service, and the economic development ministries. Coordination among these agencies was described as chaotic. To deal with future catastrophes, one government official commented, it could take an unacceptable three weeks to organize a similar relief effort if steps are not taken to better organize these operations. Politicians are calling for plans to pool resources by establishing information banks. A special corps is currently being looked at for the specific purpose of undertaking humanitarian missions. Other arguments also arise on who will fund these missions.<sup>22</sup>

Additionally, German political parties are still divergent on how involved Germany should be in international affairs. Though the current coalition supports seeking a greater role for Germany, the leading opposition party (SPD), wants to limit the Bundeswehr to strictly humanitarian and economic operations. Rudolf Scharping, leader of the SPD, has said that Germany should not pursue a more military-oriented role :

*Wir wollen keine militärische Führungsrolle, vielleicht können wir eine ökologische übernehmen. (We do not want a military role [in terms of international responsibility], perhaps we can take an ecological one.)*<sup>23</sup>

Even in light of the German Constitutional Court's ruling expanding the right of the Bundeswehr to participate in NATO and UN missions outside of German boundaries, there still continues to be a lot of political debate over what missions are considered legitimate. Kohl has had to bulldoze his way through public opinion and opposition from the SPD in order to pave the way for a greater German involvement during these times of international turmoil and troubles. The SPD and even Kohl's coalition partner, the FDP, took the ruling government to court to seek a ruling on the constitutionality of German military contributions in the former Yugoslavia and Somalia. By American standards, these missions were considered low-key, low-risk operations. The *Bundesverfassungsgericht* (Constitutional Court) ruled in favor of the ruling government. The Bundeswehr can now deploy outside of German borders as long as such missions are sanctioned by an international organization such as the U.N. or NATO, and the deployment receives the approval of the German legislature.<sup>24</sup>

Rudolf Scharping, the SPD opposition leader, said that the recent court decision still does not give the Bundeswehr the right to participate in Gulf War types of missions, while the Foreign Minister, Klaus Kinkel, disagrees with that assertion and says that the ruling legalizes such missions.<sup>25</sup> Even in light of this ruling, the current government is still taking precautionary steps and is trying to define the future role of the Bundeswehr in international operations. Volker Ruehe, the Defense Minister, reiterated after the Karlsruhe decision that there would be no change to Germany's current contributions in the Balkans; and, furthermore, he could not foresee a military role for Germany in a partnership deployment with France to Rwanda.<sup>26</sup>

#### **D. EXTERNAL CONSTRAINTS**

Germany is also aware that it must be sensitive to the fears of its neighbors. A country 80 million strong, located in the heart of Europe, with a strong economy and a history marked by aggression, causes many in smaller and less powerful countries in Europe a great amount of anxiety. For others, a strong Germany causes envy. Hysteria about the Nazi era continues to linger to this day, often fueled by the press and sometimes

caused by Germany's blundering. For example, the events involving the incarceration of Rudolf Hess and the arrangements after his death were treated so secretively by the Allies that they not only captured the interest of the media but of right-wing extremists as well. A platoon of Allied soldiers stood watch over a single prisoner for over 20 years, and only a few people had access to him. Even the soldiers guarding Hess never saw him.<sup>27</sup> Upon his death, Spandau prison, where he was held, was quickly dismantled and the bricks buried in an undisclosed location. Even as recently as 1994, German police used helicopters and roadblocks to prevent any gatherings from observing the anniversary of his death. Media coverage, publications, and exhibits of past Nazi atrocities and contemporary extremism command a strong market not only in Germany but in other countries as well.

Germany's political blunders and actions have also contributed to this hysteria. In 1985, Chancellor Kohl embarrassed President Reagan by escorting him to a war cemetery in Bitburg which contained the remains of several thousand Waffen SS soldiers.<sup>28</sup> The Chancellor also delayed recognizing the current Polish-German border during reunification treaty talks in 1990. This caused a great amount of consternation for the Poles and for several American senators, who in turn lodged a protest with President Bush.<sup>29</sup> Kohl also met with the Spanish minister on the 50th anniversary of the Normandy invasions, even though Spain was a fascist state during World War II. Finally, eyebrows were raised when Germany was the first to recognize Croatia, a former Nazi puppet state that was notorious for carrying out atrocities against the Serbs during World War II. Germany's method of recognizing the breakaway Yugoslav states alarmed a number of worldwide leaders.

During the Persian Gulf war, Germany was embarrassed when the world found out that it had contributed to Iraq's NBC and conventional weapons development. Iraq fired an untold number of SCUD missiles at Israel during the war, and this caused a "complex effect" in German minds, owing to:



...the interaction of several factors: the knowledge of a certain degree of German involvement in the Iraqi missile and chemical weapons buildup, German historical guilt, respect for and willingness to support the responsible attitude of the Israeli leadership and population under attack, the realization of the vulnerability of democratic societies to such attacks, and the recognition of the somewhat forgotten fact that Israel is one of the Western democratic nations and deserves more than the 'moral impartiality' with which the whole Middle East had been treated [by Germans].

After the firing of these missiles at Israel, the German Foreign Minister, Hans-Dietrich Genscher, made a hasty visit there to help defuse the situation.<sup>30</sup>

Fears continue to linger, and Germans are constantly reminded of their history. During the ceremonies marking the departure of the former Soviet forces from Germany, President Yeltsin reminded the German people that the Nazi regime was the most evil one that has ever existed in history.<sup>31</sup> Reminding the Germans of their evil past is a typical political ploy used by many countries in order to skirt a touchy subject that might otherwise cause them embarrassment, such as Russia's domination of the East German people during the Cold War. Comments about the Nazi past seem to make the papers and often influence the way events are reported. Perhaps, journalists exploit the opportunities available to them in order to express their own views about fears of an overbearing Germany. According to a recent study of noted leaders within the different institutions in America, 65% of all news media respondents did not support an increased military role for Japan and Germany in proportion to their economic strength. They also believed that Germany will one day be the dominant power in Europe.<sup>32</sup>

Margaret Thatcher has been more open about her suspicions of a reunited Germany. Her fear is one of a Europe centered around a strong Germany that is "so large that it cannot be easily fitted into the new architecture of Europe." She uses the analogy of Germany being a bull in a china shop to explain her view of a reunited Germany in a delicate European atmosphere. She points out repeatedly in her memoirs that she and Mitterrand were both opposed to Germany's quick reunification.<sup>33</sup> Were it not for Kohl's initiatives and U.S. backing, there would probably still be two German states in Europe today.

Germany is limited in where it can influence international affairs. Because of its Nazi past, it can do no more than act as a peripheral player in the Balkans. Recognizing Croatia was Germany's first instance of showing initiative on a solo foreign policy decision. This action was opposed by the United States and other European powers and especially by the Serbians. Germany's leaders seriously thought that the best way to end the bloodshed in the Balkans was to recognize the right to self-determination of the breakaway states. It had other reasons too, such as a strong Croatian refugee influx and historical and cultural ties to the region. However, its pressure tactics in forcing other countries to go along with its desires to recognize Slovenia and Croatia caused lots of concern among the Europeans and raised fears of an overpowering Germany. The Serbian press also seized the opportunity to remind Serbs of Germany's past atrocities in the early 1940's, during a war in which Serbia sided with the Allied powers and Croatia with the Axis.<sup>34</sup> Shortly after Germany's recognition of the breakaway Balkan states, *The New York Times* reported:

Germany has shown a new and more assertive face internationally. On matters ranging from interest rates to the war in Yugoslavia, German leaders have staked out bold policies and then waited for their European partners to line up behind them.

Buoyed by unification, responding to old interests and new passions, Germany has decided to exercise its economic strength, to become Europe's dominant political and diplomatic force.<sup>35</sup>

Some experts even referred to Germany's recognition of Slovenia and Croatia and the interest rate hikes by the Bundesbank as proof that the Federal Republic, "like its predecessors, ... is a revisionist power, intent on reshaping Europe."<sup>36</sup>

Germany will always raise eyebrows when its soldiers are placed on the world's center stage. When France celebrated Bastille Day in 1994, Bundeswehr personnel carriers and soldiers made the front page pictures in the world wide press reports.

Whether fears of an overbearing Germany will disappear in the foreseeable future is unclear. These fears may decline as the post-1945 generation of leaders takes over the helm of world leadership. President Clinton seems to be very supportive of a strong

Germany. President Clinton's agenda is domestically focused, and any assistance he can get to help the United States shoulder international responsibilities would be welcome.

Most countries, as long as their own interests are furthered, do not mind an actively involved Germany sharing the burdens of keeping the peace. American officials acknowledge that Germany is the main economic powerhouse in Europe; and, as such, Germany holds the key to integrating the Eastern states into the greater framework of European prosperity. Germany's economy is the only one on the continent that is capable of lowering trade barriers to the point that eastern economies can successfully and fairly trade with the West. America's developing "special relationship" (a term often associated with American-British relations) with Germany is clearly based on the premise that Germany holds the key to development in the East and accepts that responsibility.<sup>37</sup>

France also accepts the fact that it needs Germany's assistance to help solve international problems. Defense Minister François Léotard is quite open about Germany being a critical player in the realm of world politics. He even goes as far as to say that the German people were not enemies of the French during World War II but were instead victims of an oppressive regime. He calls for Germany to participate in military operations such as the one recently fought by coalition forces in the Persian Gulf and argues that the Bundeswehr should not be hindered from deploying to areas such as Africa.<sup>38</sup> Léotard does point out that Germany should deploy within the confines of the European Corps and his examples of where Germany should deploy seem to be in areas that are of France's immediate concern. However, German Defense Minister, Volker Ruehe, is not willing to allow Germany to be used as a tool to further someone else's own interests and rejected any idea of Germany participating with the French in Rwanda.<sup>39</sup>

In contrast to the political situation in the 1980's, Germany now realizes that it must assume more international responsibilities. Owing to the end of the Cold War, U.S. troop levels in Europe are in 1995 only a third of what they were in 1990, and the Russians have removed their forces from Germany. Several Central European countries are also searching for allies. Germany is also realizing that regaining sovereignty brings

on a whole new set of responsibilities. Some argue that it is now time for Germany to act like a "normal" state.<sup>40</sup>

Timothy Ash presents four policy courses Germany could pursue in the future. He suggests that Germany could continue to build on its relationship with France, making the two the center of power in Europe. Another course might be to expand the European Union by going eastward and incorporating the former Warsaw Pact countries. Another alternative could be for Germany to expand its own role and become a world power. Finally, Germany could develop a stronger relationship with the Russians. All of these options have their advantages and disadvantages. Arguments against these options include a reluctance on the part of Germany to become engulfed in a German-French power bloc. Secondly, integrating the Eastern states into Europe too fast could further strain Germany's relations with the French and the British and create a European dumping ground for cheap labor and goods. Also, Germany does not seem quite ready to assume a world power role especially when its D-mark already gives it great influence. Finally, Germany is well-seated in the Western community and probably will not seek an eastern alliance with Russia. After all that has happened in Russia, most Germans seem to eye that country with suspicion.<sup>41</sup>

Elizabeth Pond reports that the Germans continue to appreciate America's involvement in European affairs and view American troops stationed in their country more as an insurance measure than as a liability or an imposition on their sovereignty. With the U.S. well-established in NATO, the Germans are not only assured of continued American security protection, but have an ally that sides with them, more often than not, when disagreements arise between Germany and France, Great Britain or Russia.<sup>42</sup> During President Clinton's visit to Germany, Chancellor Kohl was very supportive of the United States presence in Germany, saying that he was "grateful [to Clinton] . . . for having promised . . . that the U.S. will maintain a military presence of 100,000 in Europe."<sup>43</sup>

Although predictions of Germany's future leadership role should be offered with caution, it is probably safe to assume that the Germans will do what seems best for Germany. Jacob Heilbrunn seems to take an alarmist point of view on Germany's rising

stature as a dominant force in Europe.<sup>44</sup> He holds that Germany's foreign policy history has always reflected disguised but conscious decisions to further its own interests. Some argue that furthering one's own interests is what politics is all about, whether one's past includes time as a Nazi state or a Communist state or not. From such a viewpoint, morality has no bearing on the issue. Heilbrunn asserts that German leaders from Adenauer to Kohl have always claimed that German interests are European interests, although that has not always been the case. Germany's insistence on the expansion of the EU and NATO continues to upset the French since it diminishes their ability to be a dominant power in the European Union. The *Ostpolitik* started by Chancellor Willy Brandt was often conducted to the chagrin of the Americans. However, it ultimately paid off and helped to expedite the departure of Russian troops from Germany. By the time reunification occurred, years of *Ostpolitik* had helped to forge relationships in the East. Now a huge trading block exists between the Germans and the Eastern nations, with France and the United Kingdom in secondary positions. Currently, Germany exports goods worth billions of D-marks to the countries on its eastern border.

Although Jacob Heilbrunn admits that Germany depends on the United States for nuclear protection, he goes on to say that the Federal Republic will be a "less pliable ally."<sup>45</sup> However, as long as the risk of nuclear proliferation persists and NATO remains a viable security system, it is reasonable to expect German politicians to continue allowing Americans to occupy an "apartment" in their country's building. As one German student put it in a dialogue with Rand Corporation researchers, "War - that is something we leave to the Americans".<sup>46</sup> With that type of attitude prevalent in German society, German politicians find it less politically risky to embrace American protection guarantees than to seek an independent and possibly less reliable European security alternative.

## E. CONCLUSION

In summation, it appears probable that Germany will continue to take an ambiguous course in asserting itself regarding solutions to world problems. Timothy Ash says it best in observing that Germany will "choose not to choose"<sup>47</sup> and will probably follow the path

of least resistance as long as it is in its best interests. However, to say Germany will be complacent would be inaccurate. Though the military continues to draw down, it has already participated in several missions considered unthinkable before Germany's reunification. The Bundeswehr helped in mineclearing operations in the Persian Gulf, provided humanitarian aid to Kurdish rebels in Iraq, continues to support U.N. sanctions against Iraq, participated in relief efforts in Somalia, provides naval and air assets for embargo enforcement and other purposes in the ongoing Yugoslavian crisis, and even lost its first soldier since the end of World War II while supporting a medical mission in Cambodia.<sup>48</sup> Germany is a critical player in international politics and realizes that its soldiers are expected to help keep the peace.

Beyond culture and history, however, another pressing domestic issue that constrains German politicians in conducting security policy is the importance of the economic challenges facing the Federal Republic. The next chapter analyzes the economic challenges facing Germany since they greatly affect German foreign policy.

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#### IV. GERMANY'S ECONOMIC CHALLENGES

The purpose of this chapter is to analyze the economic challenges facing Germany since its reunification in 1990. The two most important economic challenges facing Germany are its economic reunification and its overburdened social market economy. One must understand these challenges because they are what concern the Germans the most. Indeed, these challenges constitute the greatest constraining factor affecting Germany's ability to assert itself in foreign policy. In the first sections, the economic and political events preceding German reunification are addressed. In addition, the problems that the Federal Republic of Germany (FRG) inherited when it united with the former German Democratic Republic (GDR) are analyzed. The relative successes and failures of the economic measures implemented by the Bonn government to correct these problems are also discussed. The second part of this chapter critically examines Germany's overtaxed social welfare system and the implications associated with it. This part specifically looks at the main macroeconomic factors that are hindering Germany's economic competitiveness in the world market. In the final analysis, the problems associated with reunification and the social welfare system both contribute to Germany's economic and political troubles. The costs associated with reunification merely exacerbate the difficulties of an already troubled economy. Germany is trying to remain competitive in today's trading world in spite of its overregulated bureaucracy and costly social welfare structure.<sup>1</sup> In order to remain competitive, the government realizes, it must undertake innovative reforms designed to concurrently solve the problems of Germany's social welfare system, its reunification, and to respark a sense of united kinship among the German *Volk*.

##### A. THE IMPACT OF ECONOMICS ON POLITICS

It is important to understand the ramifications of Germany's economic woes. The United States relationship with Germany is predicated on the assumption that the economic challenges facing Europe, especially the ones facing the Eastern states, can only be solved by an economically strong German state. In Europe, Germany is considered the country

best able to overcome the economic stagnation in the East. It is also viewed as the "engine" that will drive Europe towards economic prosperity, which will in turn promote stability in the region.<sup>2</sup> Spain's Prime Minister, Felipe Gonzalez, said, "if Germany fails, we will all fail as well."<sup>3</sup>

As the Cold War era fades, economic power is becoming even more important as a policy instrument for Bonn's politicians. Even in military circles within democratic countries, there is a realization that influence today is gained more through economic might than through military means. As the German defense ministry points out, "Today, a country's international influence is determined more by economic dynamism and technological innovation, by the competition for future markets and resources than by military might."<sup>4</sup> In a country where power politics and the use of force are looked upon with ambivalence and misgivings, economic measures have evolved into a permanent part of Germany's foreign policy options.

## B. EVENTS LEADING TO REUNIFICATION

The process of German reunification was dominated by political events. Chancellor Kohl saw an opportunity to reunify his country as long as Gorbachev remained in power. The Cold War was still fresh in Kohl's mind, and he seized the initiative to reunify the German states before the Russians had second thoughts. Kohl pushed for quick reunification even though fellow allied leaders like Thatcher and Mitterrand, as well as domestic forces such as the opposition SPD, were all calling for a slowing down of the process. In addition, the world's focus was turning towards the Persian Gulf, especially after Iraq's annexation of Kuwait in August 1990. Kohl knew that reunification might be sidelined by events in the Middle East if the Two plus Four Agreement was not quickly ratified.

Domestically, Chancellor Kohl was feeling pressure from the five eastern *Länder* to reunify. Erich Honecker, the leader of the GDR, refused to initiate economic reforms and continued to maintain a rigid, authoritarian hold on his state even though it was obvious that changes needed to be made. After Honecker's resignation, the new regime

was in office for only a month before the wall went down. The GDR basically had no time to change its old system. Because East Germany did not reform itself, Kohl was forced to take expedient measures towards economic consolidation even before political union was achieved. By the spring of 1990, 500,000 East Germans had crossed into the FRG, placing great strains on both German states. The GDR was losing its labor pool and political legitimacy, and the FRG was overwhelmed with the incoming tide of refugees. Because of widespread fears of an impending economic and political collapse, the GDR was forced to hold elections within 5 months of the wall's collapse in November 1989. Kohl's party, the Christian Democrats, won the election in the GDR. The election results were clear indicators to politicians in Bonn that reunification was impending. The GDR's government had failed to retain its legitimacy in free elections, and its economic base was in disarray. These factors led to Germany's reunification within a year of the wall's collapse.<sup>5</sup>

Economists were less vocal about their opposition to quick reunification because they tended to believe the politicians in Bonn who were proclaiming that the total costs of modernizing the eastern provinces would be relatively low: only 22 billion DM.<sup>6</sup> There was also a popular belief that the reunification would take the form of another economic miracle, or *Wirtschaftswunder*, comparable to the one that successfully rejuvenated West Germany in the late 1940's and 1950's. In remembering the West German *Wirtschaftswunder*, economists stressed the importance of setting up a tax haven in the eastern region in order to draw investors. However, the Kohl government quickly dismissed this idea for fear that Western firms would use the new states as a means to evade taxes, sparking a similar demand for such a program in all of Germany.<sup>7</sup>

### **C. EAST GERMANY: THE EPITOME OF ECONOMIC RUIN**

On paper, the GDR looked healthy. Prior to its dissolution, it had the most prosperous and most productive economy of all the Eastern European countries. It was agriculturally self-sufficient and had a large industrial base. Even Western analysts praised its economy, ranking East Germany's per capita GDP strength with that of Belgium or

Italy.<sup>8</sup> However, no one seemed to understand that there was little in common with a communist and a free market system. It was only after reunification that the true state of the East German economy was fully discovered. The GDR was fraught with inefficiency. For example, Bonn was surprised to find that over a hundred thousand East German citizens were employed in the internal security field, a large number for a country of only 16 million.

The GDR's entire economic orientation was controlled by the government: it stressed central planning and was completely autarkic in nature. The Honecker regime failed to adjust to technological advances and did not care about consumer demands. GDR citizens realized that their standard of living was eroding, but the internal security system helped prevent unrest. Practically everyone employed in industry worked in a government-owned factory, and all financial and transportation agencies were nationalized. There were few incentives to produce efficiently since employees and managers had hardly any stake in their firms. Wages were kept relatively uniform, and standards of living remained low when compared to those of the West. All of the aforementioned factors contributed to lower worker productivity. With all other indicators being held constant, worker productivity was only one third of what it was in the FRG.<sup>9</sup>

Because of limited foreign capital and the absence of a free market, the central planning program was forced to set priorities regarding production and other economic activities. The program emphasized certain areas and neglected others. The neglected areas included the country's infrastructure and environment. Because of the great costs associated with maintaining a clean environment, the GDR evolved into an ecological disaster zone. After reunification, some private investors were hesitant about buying companies in the East because they feared that they would get stuck with the clean-up bill.

According to an economist, Sharon Nuskey,

...an estimated 40 percent of the natural gas in eastern Berlin's pipeline system leaks out before it reaches consumers. The water, soil and sewage systems are also in appalling disrepair. A third of its inland waterways and 9,000 of its lakes are biologically dead; fully 55 percent have almost lost the ability to regenerate themselves. One study reports that only 2.4 percent of the natural water supply is of drinking water quality. Two-thirds of the 8,000 officially designated communities lack sewage treatment plants and 10,000 of the 11,000 household waste disposal sites are illegal and operate without regard to safety standards. The region also has approximately 15,000 registered toxic sites.<sup>10</sup>

The transportation system was antiquated, to say the least. One half of all roads and bridges were in need of repair. Private investors not only faced an outmoded infrastructure, but also significant costs associated with modernizing their firms. Less than 30% of all rail assets were electrically run. Most of the highways (*autobahns*) pre-dated the Second World War.

In the realm of consumer products and telecommunications, only 1 out of 10 people had a telephone. Of those that had telephones, many were on party lines. Those wanting telephones had to wait 20 years for one. Only one out of every two households possessed a color television or a car, and only 10% of the people owned an automatic washing machine. Less than half of all homes had modern heating systems, and 50% of all houses were over 100 years old.<sup>11</sup> Sensing disaster upon unification in October 1990, the Bonn government quickly realized that it had to come up with some measures to equalize living standards.

#### **D. CURRENCY REFORM**

By July 1990, Bonn had agreed to a currency reform allowing East Germans a one Ostmark for one D-mark exchange rate on the first 2000 Ostmarks that East Germans owned. Savings exceeding that amount were traded at a two for one exchange rate. The purpose of this quick monetary reform was to stop the flow of refugees. With new D-marks in hand, East Germans snatched up Western-produced consumables. This left an

overabundant supply of Eastern products, which either rotted in warehouses or collected dust on grocery shelves.<sup>12</sup>

What the politicians in Bonn did not realize was that economic stability in the former GDR was based on its ability to export goods to its former Eastern trading partners. During the Cold War, that trading bloc was called the Council for Mutual Economic Assistance (CMEA). Once the Ostmark standard was dropped and replaced by the DM, the reform measure increased the prices of the GDR's commodities by some 400%. This essentially wiped out East Germany's export market, which was only partly salvaged when the Bonn government intervened with subsidies. GDR goods were too expensive to export, especially to those countries in the former CMEA where currencies were still based on the Russian rouble.<sup>13</sup>

Central bankers were not pleased with currency reform. Indeed, the president of the Bundesbank, Karl-Otto Pohl, resigned his position.<sup>14</sup> Wolfgang Schaeuble stated after reunification that if "a realistic picture of the fiscal burdens to come had been made public, the West German electorate and parliament's acceptance of rapid reunification would have been jeopardized."<sup>15</sup> The Council of Economic Experts proposed in February 1990 a five-year gradual economic unification of the two states, but the central government in Bonn did not adopt the plan and "decided to subordinate economic considerations to the political imperative of unification."<sup>16</sup>

Since East German products generally retained the same poor quality and high cost as before reunification, the currency reform grossly overvalued these goods. The former GDR's markets were cut off, and monetary transfers totalling some 140 billion DM were needed to subsidize industries and workers. These subsidies amounted to welfare because the government was supporting products that could not be sold in the West. Workers were producing things of inferior quality at twice the expense of what similar items would have cost if these items had been made in the western part of the country. In addition, since there was no effective government or bureaucracy in the East, everything had to be reorganized from the bottom up: the banking industry, the legal system, and all governmental agencies. Even worse, Kohl compounded the problem by transferring the



overregulated social welfare system that existed in the West to the East, which made it more prohibitive for businesses and entrepreneurs to start up companies. In spite of the massive aid and infusion of credit, and the creation of a democratically oriented public sector, many firms were forced to close their doors. Industrial production declined 60% within the first year of reunification, and unemployment increased to over 15%. Why would businessmen invest in a place where workers seemed overpaid and unskilled (compared to Western standards) and where businesses were overregulated? Many reasoned that it would be wiser to invest in another country, such as Poland, and earn greater revenues by employing Polish workers for \$2 an hour in a less regulated environment. Polish labor costs are only 10 to 20% of German wages.<sup>17</sup>

#### **E. MONEY TRANSFERS**

Instead of the projected 22 billion DM pricetag for reunification as was originally planned back in 1990, the German government is instead transferring an average of 100 billion DM a year to its five eastern *Länder*. Two-thirds of these transfers are devoted to social and public sector reforms which place a greater financial burden on the state than on private investors. The table below summarizes some estimates of the costs of economically revitalizing the five eastern states and modernizing them to Western standards:

Housing improvements	52 billion DM
Rail improvements	84 billion DM
Industrial privatization	> 250 billion DM
Postal Reforms	129 billion DM
Interest	> 40 billion DM
Old GDR debts/Environment	300 billion DM
Transportation Reform	100 billion DM

The interest amount mentioned in the above table reflects the finance charges on money borrowed by the government.<sup>18</sup> The huge privatization debt is later discussed in a later section of this chapter.

The amount of money going East is so astronomical that it totals over twice the amount the Americans provided to West Germany by way of the Marshall Plan. Germany is now a deficit-ridden nation. The Federal Republic has practically doubled its national debt in the five years since reunification. For the Germans, running a debt is alarming news. It goes against the cultural grain of *sparen* (saving), and these deficits could spill over into the country's psyche, changing the attitude of its citizens into one that is more like the Americans - accepting a large public deficit with little anxiety.

The German government garnered a financial surplus in 1989 when it took in 5.5 billion DM more than it spent.<sup>19</sup> However, that surplus ended right after reunification. Total public sector deficits of 69.4 and 94.4 billion DM were recorded in 1990 and 1991 respectively. Future projections expect a growing deficit with interest payments consuming some 15 % of future budgets.<sup>20</sup>

In this situation, the state must make some difficult choices: either tax its citizens or borrow money. The government decided to raise taxes and borrow money. Because of its historical consequences, Germans remain fearful of inflation. However, raising taxes is unpopular; and borrowing money is difficult because of pressures placed on the government by the *Bundesbank*. Seeking economic policies that are anti-inflationary has been a long-standing political course for most post-war Bonn governments. Recent measures include increasing the value-added tax a full percentage point to 15 % and raising other types of taxes as well. Budget cuts were directed at several areas, including the military, the Berlin movement plan, and social assistance packages. In spite of increased taxation and budget cuts, the government was still unable to raise the revenues needed to fund reunification and was therefore obliged to borrow money.

Part of the deficit problem was the government's failure to reallocate certain budgetary cuts into urgent areas. Another reason was the pressing financial obligations that suddenly cropped up after reunification. These included financial contributions to coalition efforts in the 1990-1991 Persian Gulf War, support and credit packages to fund revitalization in Eastern Europe, and funding the Russian troop withdrawal from

Germany.<sup>21</sup> Finally, the costs of reunification are proving to be far greater than originally estimated.

#### **F. TREUHANDANSTALT**

One of the first problems facing the Kohl government was what to do with its Eastern workers and industries. An organization called the *Treuhandanstalt* (which may be translated as a "trusteeship institution") was set up to accomplish three aims: to transfer the old GDR state-run businesses into profitable firms, to close the unsalvageable ones, and to sell firms to foreign companies under the condition that investors maximize the number of employees.<sup>22</sup>

The roadblocks confronting this agency were numerous. Many former pre-World War II property owners laid claims to real estate in the East. Altogether, there were over 2 million property claims, and only 5 % of those claims were resolved by 1993. These claims, however, mainly concerned property issues which allowed Treuhand to continue with the privatization of companies.<sup>23</sup>

The agency was forced to make some tough decisions: either operate businesses that were hopelessly unproductive or shut them down and place people on the dole. A case in point involves the Pentacon camera firm. That particular firm was thought to be a financially strong one since it earned 75 % of its profits from foreign sales. However, the production means in that firm were technologically backwards, resulting in high costs. The old Honecker government was forced to subsidize the company in order to keep it in business. Camera making was so unprofitable that the state subsidized Pentacon at a rate of \$500 towards the production costs of each camera. Treuhand decided that it would be cheaper to shut Pentacon's doors and place its 5600 employees on welfare than to restructure the unprofitable company.<sup>24</sup>

Treuhand also compromised with investors in order to sell off industries, businesses, and restaurants in a timely manner. It was successful in privatizing 15,000 businesses. Treuhand was disbanded in January 1995 after having completed its mission, but at an enormous price. It saved 1.5 million people from unemployment and secured

over 200 billion DM worth of investments in the eastern *Länder*.<sup>25</sup> But what were the costs for Treuhand's success?

Treuhand incurred a debt of over 250 billion DM, which was passed on to the state. When investors assumed responsibility for their firms, they were relieved of any prior debts held against their newly acquired companies. Developers were also able to compromise over the ecological issue, thus avoiding environmental clean-up costs. Treuhand also sold businesses at prices below market value in order to quickly get rid of them. Finally, the government inherited a huge unemployed population. In order to remain competitive, new business owners had to cut workers in order to keep up with expensive salaries and start-up costs. Of the 4 million employees working in companies originally controlled by Treuhand, more than half were forced out of employment or rerouted into another job. Some of those laid off workers were rerouted into public sector jobs, a circumstance which placed the responsibility of paying their salaries on the state.<sup>26</sup>

With the recession in Europe, some private investors are backing out of their deals. For example, the Swiss-based Alcor company is trying to annul its agreement because its expected market in Russia fell through. Another company is currently employing only 1200 out of the 7200 people that originally worked for that firm. Some investors are merely using the land that their businesses rest on as an investment holding and are stripping away their firm's assets and moving them elsewhere.<sup>27</sup> The problem has grown to the point that another agency is being formed after Treuhand's retirement in order to renegotiate and settle ongoing privatization transactions.

#### **G. HINDSIGHT: WHERE LIES THE BLAME?**

The bottom line is that Germany's reunification costs are averaging 120 billion DM per year, all for the sake of supporting five *Länder* that are currently producing at only 30% of the productive capacity that they had attained at the height of the Honecker regime. The entire output value of all five eastern states is still less than that of the Daimler-Benz auto works. According to some observers, the eastern states hang on to

Germany like a "ball and chain" hindering economic and political progress for the nation as a whole.<sup>28</sup>

The politicians in Bonn made a crucial mistake: they overestimated the GDR's economic potential. They failed to foresee the economic costs of rebuilding the former GDR from the bottom-up. They thought they could merely make a few adjustments here and there and build on to a strong foundation. Secondly, the West German *Wirtschaftswunder* of the 1950's was mistakenly used as a model for revitalizing the ex-GDR even though the conditions for redevelopment were quite different from those that had existed in West Germany in the late 1940's.<sup>29</sup>

The post-war economic miracle was very gradual and occurred under catastrophic conditions. Germany had been devastated after six years of war. This resulted in a currency reform that was a lot more draconian than that in 1990. West Germans initially received only 40 DM and all Reichsmarks were exchanged at a 10 for 1 exchange rate. The Erhard policy of free enterprise allowed investment firms practically free rein. The need to fulfill the social welfare demands and expectations of the 1980's and 1990's did not exist. The German people were destitute. The Bonn government only intervened in cases of unfair business practices. Infrastructure rebuilding was given priority. Most important, the Marshall Plan provided the foreign capital needed to restart certain companies. Other industries, such as coal and steel, were consolidated into wider European endeavors. Unlike the current plan for reunification, the Marshall Plan was also a big psychological boost, in that it allowed the West Germans to believe that America would take care of them. Finally, the entire social reform aspect of the West German economy was not even started until the state was back on its feet and the economy was well on its way to recovery.<sup>30</sup>

In contrast, in 1990, Kohl's government placed constraints on the former GDR from the beginning. West German regulations and an intricate bureaucracy were transplanted to the East. Monetary transfers were hefty; but, as mentioned earlier, two-thirds of the funds were used to finance the public sector. Finally, the currency reform wiped out the production base that the eastern *Länder* depended on for their economic

strength.<sup>31</sup> The currency reform was also designed to provide GDR citizens with instant gratification in order to stem the refugee flow. It was not gradual, in contrast with the monetary reforms in the immediate post-1945 period in West Germany. The former GDR citizens felt persecuted and demanded instant compensation.

Most important, critics argued that Chancellor Kohl's approach to reunification tore apart national unity. Eastern German workers were not as productive as those in the western part. They were not market-oriented and relied on entitlements from the state. The whole concept of capitalism was new to the *Ossis* (easterners). As time went on, this invariably caused consternation in the western half of the country. On the other hand, the former East Germans felt like second-class citizens. As one frustrated eastern German union leader put it, "We were simply annexed."<sup>32</sup> Because of the differing circumstances and approaches in the post-1945 revitalization in West Germany and the 1990 reunification, the outcomes were quite different.

However, the blame for the problems does not rest entirely on Kohl's government. The real problems with Germany's economy stem not just from its reunification dilemma and the tremendous social and ecological damage caused in East Germany by 45 years under Communist rule (1945-1990). The problems stem from another larger issue: Germany's social welfare orientation. West Germans argued that their dwindling social welfare benefits and higher taxes were due to the cost of consolidating their country. However, these entitlement cuts were also the result of Germany's growing and overburdened social welfare economic system, one that was started in the late 1950's.<sup>33</sup>

## H. SOCIAL WELFARE ECONOMY

Chancellor Kohl criticized the Germans for failing to accept reductions and limitations in the state's cradle-to-grave welfare system. The phrase coined by him to describe Germany's state welfare system is *kollektiver Freizeitpark*, or state amusement park. In his view, Germany's social welfare programs are practically strangling that country out of the export market and into a serious dilemma.<sup>34</sup> In the early 1980's, Germany enjoyed a huge export-oriented economy. Most of its goods were sold to other

European countries, which bought those items with strong currencies. Now many of Germany's export markets are depressed because its trading partners are in a recession. The Pacific rim has expanded its export market worldwide, even in Europe. Germany has been slower to reciprocate in its export expansion. Currently, Germany exports only 7% of its products to the Pacific rim. This problem is further compounded by the fact that the Asian countries and the Eastern European countries are making inroads in Germany's traditional export market.<sup>35</sup>

German workers are among the world's highest paid. The average hourly wage, which includes all associated benefits, is \$25, compared to \$15.50 for an American worker and \$2 for a Polish worker. Labor costs are high because employers pay an additional 80% above the cost of salaries in social benefits alone. These benefits include a 13th month Christmas bonus, over 30 days of paid vacation, and expensive apprenticeship programs.<sup>36</sup>

The security net is comprehensive, and financed by the government (that is, the taxpayer). Unemployed workers receive indefinite benefits, including payments totalling 67% of their former gross salary for the first 15 months that they are on the dole. Unions operate under a "co-determination" concept whereby the unions have an equal share in company decisions. For example, Volkswagen maintains 30,000 excess workers on its rolls in Lower-Saxony, partly out of fear of the consequences of laying off workers in an already depressed local economy. Unemployment in that region hovers over 10%. Another reason is the union's power in Volkswagen. Volkswagen is exceptional in that the union actually controls over 50% of the company's decision-making power, and unions are reluctant to lay off workers.<sup>37</sup>

According to some analyses, German workers are even losing their competitive edge. In one study, American workers are estimated to be 20% more productive than German ones. Half of all business revenues are transferred to the government through taxation, and worker wages are having a tough time keeping up with the cost of living.<sup>38</sup> Even though German workers get paid a lot of money, living expenses in Germany are among the highest in the world. An average wage-earner can hardly dream of owning his

own home, gas prices are four times higher than in the United States, and all goods incur a 15 % value-added tax.

Regulations also hamper business. Merchandise cannot be marked down unless it is uniformly done and only during certain time periods like the pre-set summer and winter close out sales. Weekend shopping is non-existent after 2 p.m. Saturdays, except for one for one Saturday a month, when stores keep late hours. Shops (other than those located in airports or train stations) are required to remain closed on Sundays and must also close at 6:30 p.m. on weekdays (except on Thursdays). Because of the increased concern for the environment, businesses must adhere to strict garbage disposal and regulatory laws. Obtaining a building license can be difficult. For example, if an entrepreneur wants to build a chemical plant in Germany, he could wait almost two years before receiving authorization. In France, that waiting period for the same purpose is only 6 months.<sup>39</sup>

Finally, the German people are no longer willing to make the sacrifices that their forefathers made during the West German economic miracle of the late 1940's and 1950's. Instead of unions working together with management and the government as one team, they now fight each other over a piece of the ever-shrinking pie. If the average German worker cut back the number of vacation days and took only as many as an American worker, Germany's GNP would increase by 7%. In 1993, some unions were able to win a 3.2 % wage increase, increase Christmas bonuses, and add another hour to the work week even though the German economy was suffering through a recession and was trying to cope with the staggering costs of reunification. Adding another hour to the 35-hour week exacerbates an already high unemployment rate and increases pay checks by 3 percent. Unions were also able to bargain for eastern German workers, who will by 1996 receive 100% of the wages that a western German worker earns, regardless of productivity.<sup>40</sup>

## I. CONCLUSION

Although this chapter paints a gloomy picture of the prospects for the German economy, the government is taking some positive measures to rectify the economic



situation. It is also unfair to place the blame for Germany's economic mistakes, especially the ones dealing with the reunification costs, solely on the federal government. Clearly, the political issues surrounding German reunification and the increasing flood of refugees caused Bonn to make some hasty decisions which seemed to be wise in 1990.

Germany's economy has also shown some recent signs of improvement. Economic growth in the former GDR is expected to top 9-10% in 1994.<sup>41</sup> Unemployment in that region is on the downswing with the rate now below 15%. That is a significant psychological development since the unemployment rate hovered over 15% for over a year.<sup>42</sup>

The state is also developing new economic stimulus programs, including the relaxation of some stringent regulations in order to boost private investments. Corporate taxes will be reduced by 6%, easier business start-up licensing practices will be implemented, and subsidies for the eastern half of the country will be decreased. Most of these new programs are prefaced with the word 'solidarity' and reflect a more genuine cost-sharing approach to reunification efforts. The purposes of these programs are to mold the country into one, to allow the former GDR states to start their own economic boom, to create a feeling of confidence among citizens, and to eliminate hand-outs.<sup>43</sup> That does not mean, though, that Germans will not have to pay more taxes. A 7.5% "solidarity surcharge" will be implemented in 1995 for the sake of furthering economic reunification. It is too early to tell whether and to what extent these programs will work. However, initial signs look positive.<sup>44</sup>

In summation, Germany has the means to return itself to its former economic prosperity. The country has a disciplined work force, one that is bent on saving its money, and skilled enough to produce the best quality items in the world. More important, though, are the political and societal ramifications to Germany if economic reunification does not quickly occur. There is a growing *Ostalgie*, or nostalgia for the East, among former East German citizens, which could cause political problems for the ruling coalition. In addition, Kohl's majority lead was reduced to only ten seats in the October 1994 election. The opposition not only includes the SPD and the Greens but the

former *rote Socken* ("red sock" or Communist) elements as well. The red socks are in reference to the creeping ex-communist influence in the Bundestag as a result of the seats gained by the PDS (Party of Democratic Socialism) in the October 1994.<sup>45</sup>

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## V. ANALYSIS OF HANS-PETER SCHWARZ'S THESIS AND CONCLUSION

When Hans-Peter Schwarz wrote his book, *Die gezeahmten Deutschen* (The Tame Germans) in 1985, he made a remarkable argument that Germany should amend its foreign policy approach. Germany's failure to acknowledge power politics in the midst of "European tensions and a shaky world order" was, he contended, detrimental to Germany's interests. For Germany to "*aussteigen*" (exit) the stage of European politics was simply not possible.<sup>1</sup> Germany could not hide from its position in Europe and must accept, despite its inclinations, its fair share of international responsibilities. These pronouncements a decade ago accurately portray the current political atmosphere in Europe and the prevailing attitudes toward Germany and within Germany.

Power politics is accepted as a legitimate foreign policy approach, albeit in a different form than in the classical sense of the term, by not only the United States but by European states as well. Independent states fear for their survival, in view of destabilizing factors such as religious fundamentalism, ethnic tensions, and economic disparity. In addition, with no identifiable foe forcing countries to band together, large and small states have more latitude to pursue their own interests.<sup>2</sup> Nations are also finding it increasingly more important to consider all possible policy options in order to combat the emerging post-Cold War security threats. Diplomacy, humanitarian missions, collective security arrangements (such as the U.N. and the CSCE/OSCE), and economic sanctions all have their uses, as in Haiti and Korea. However, the failures in the former Yugoslavia, Somalia, and Iraq with these well-intentioned political approaches - as well as the general inability to reach a multilateral consensus on more assertive measures - suggest that stronger political action may become necessary in order to achieve desired results. Jacques Delors, when he was still the President of the European commission, stated:

We should not have stated on the outbreak of hostilities [in the Balkans] that we would not use force. Even if military intervention was debatable, it made little sense to signal to the warring factions that they would not have to face the military might of the West. In other words, without a plausible threat to use force, we needlessly undermined the credibility of our warnings and ultimatums.<sup>3</sup>

In regard to the political atmosphere, Schwarz was correct when he foresaw the current geopolitical stage for Germany. As Henry Kissinger stated in 1994, the post-Cold War era has caused a breakdown in the "traditional concepts of power." One can today be powerful by being economically dominant but militarily weak (Japan) or vice versa (Russia). According to Kissinger, the post-Cold War international system will be marked by "fragmentation" and at the same time, "globalization". There will be an increase in the number of major powers, each pursuing its own interests. As a result of World War II, decolonization, and the Cold War, the traditional European powers have lost their former pre-eminence, and the political world no longer rotates around a European axis. The former West European powers are now in a position where they must integrate into a political and economic bloc in order to muster enough power to contend with the world's emerging competitors (China, Russia, the United States, Japan, and "possibly" India).<sup>4</sup>

This thesis does not contest Hans-Peter Schwarz's assessment of the political atmosphere or deny his argument that Europe is faced with a number of international dilemmas, some of which could even destabilize a strong country like Germany. However, this thesis has argued that Schwarz may have underestimated Germany's capacity and resolve to define and defend its national interests.

Contrary to Hans-Peter Schwarz's arguments, Germany does have concrete national interests which are defended by German politicians. However, these interests are purposely limited due to legitimate and understandable internal and external constraints. In other words, the analysis in this thesis holds that Germany is pursuing a proper level of "responsible politics", one which even incorporates a hidden level of power politics. For Germany to pursue assertive policies more openly would not necessarily be in the Federal Republic's best interests and could even be to Germany's detriment. Although many American and British officials may want a more assertive German state;<sup>5</sup> other countries, especially those in the East, still resent and fear Germany.<sup>6</sup> As a result, the Federal Republic is constantly placed in the dilemma of balancing its security policy priorities within this polarized band of diverging foreign and domestic factors.



Finally, this chapter argues that Hans-Peter Schwarz's analysis overlooks some important explanations of why Germans have supposedly shunned power politics. His assessment that Germans have forgotten the uses of power politics because they have been indoctrinated with incessant pacifistic teachings and have been subjugated to moralistic politics may not be entirely correct. There are other conscientious reasons why the German federation does not pursue more assertive policy approaches. Many Germans seem satisfied with their comfortable lives and have no real desire to involve themselves with risky external "experiments" - especially when the Federal Republic of Germany's political practices since 1949 have been more successful and safer than its politics of the first half of the century.<sup>7</sup>

#### **A. GERMAN ASSERTIVENESS**

Although Hans-Peter Schwarz tends to claim otherwise, Germany does have national interests which have been publicly stated by the ruling coalition in Bonn. Incidentally, this coalition has not been as fragile as many coalition organizations. This government, under Helmut Kohl, has ruled Germany since 1982. German interests are focused, relatively limited in scope, and fit within the parameters of a nation-state that seems to have no foreseeable aspirations of achieving a global super power status. Global responsibilities are treated as "obligations", and have to date consisted solely of limited humanitarian and low key U.N.-sanctioned operations. In addition, Germany's current interests are not unique to the post-Cold War time period. The Federal Republic's interests (peace, security, prosperity, national unity, etc.) have maintained their essential character since 1949, and some of them have been satisfied since the end of the Cold War - above all, German unification and the withdrawal of former Soviet forces from Germany. However, as outlined in Chapter II, Germany has since taken wider steps, perceived by some to be assertive in nature, in order to safeguard and fulfill its evolving national interests.

## 1. The Former Yugoslavia

Although Germany has not participated in ground or combat air operations over the former Yugoslavia, Germany's Defense Minister, Volker Ruehe, is quick to point out that Germany has adopted a course of "positive entanglement" in Bosnia. Germany provides 10% of the aid going to Bosnia, has flown over 1000 relief flights into the region,<sup>8</sup> and enforces the embargoes against the warring factions by assisting in AWACs overflights and participating in the naval embargo in the Adriatic Sea.

Germany is still involved in the Balkans even though, as Hans-Peter Schwarz points out, this region is not as strategically important as it was at the turn of the century.<sup>9</sup> Even when the Balkans were of strategic importance to Prussia, Bismarck and Kaisers Wilhelm I and II were careful in their Balkan diplomacy because the Balkans were then considered (even more today) the "powder keg" of Europe. Accusing Germany of doing too little in the Balkans and labelling its restrained behavior a sign of pathetic non-involvement would not be just. During Germany's acceptable and legitimate periods of foreign diplomacy, specifically the periods from 1871-1914, 1919-1933, and 1949 to the present, Germany has purposely stayed out of the Balkans (at least militarily). The area did not then fit within the parameters of Germany's *Mitteleuropa*. Prussia feared pan-Slavism, and were it not for Austro-Hungary's tendency to venture into the Yugoslav region, which was ironically caused by Germany preventing the Hapsburg Empire from venturing northward, Bismarck might have involved himself even less in the area.<sup>10</sup>

## 2. Eastern Europe

Eastern Europe is proving to be a region of growing German activity and assertiveness. The *Bundesrepublik* is more involved in the affairs of Eastern Europe than the rest of the world. Jolyon Howorth stated that:

The task of creating political, social, and demographic stability and, eventually, economic prosperity in Eastern Europe is one of Herculean dimensions which, to date, Germany has assumed to a degree which puts all other countries to shame.

Germany, despite being burdened with its own social and economic unification, has become a major stabilizer in the volatile East - an area which not only affects Germany's security interests but also those of the United States and the rest of the Western world.<sup>11</sup> In September 1994, the German Economic Ministry stated that Germany had contributed or pledged 88 billion dollars of government aid to Russia and Eastern Europe since 1989, which was more than the amount contributed by any other Western government. In addition, second only to the United States, Germany is the major contributor of private investment to the region.<sup>12</sup> Although Germans can proudly say that they contribute more to the Eastern European region than does the rest of the world, one should not be misled into believing that this aid reflects only selfless German generosity. This aid is being used to further German national interests. The *Bundesrepublik* does not want a mass migration of *Aussiedlers* (ethnic Germans) entering the Federal Republic from Russia, and is doing whatever it can to make their lives in Russia as pleasant as possible. Also, with this aid, Germany paid for the removal of Russian forces from German soil.

### 3. Economic Power

Another significant example of Germany pursuing its interests is its use of economic power. Pursuing economic power is not just a post-1945 German phenomenon. However, Germany's implementation of its foreign policy has changed significantly since its defeat in World War II. As a result, economic foreign policy has become the *ersatz* for military force. This has even been acknowledged by Hans-Peter Schwarz, who gave the following analogy in 1971 to describe Germany's post-1945 foreign policy:

It is not difficult to look at the economic orientation of [Germany's] postwar foreign policy as the product of the hangover of a madman who, having slept off his intoxication with power, devotes himself to quietly raking in money by the barrel.<sup>13</sup>

What Schwarz and others have failed to acknowledge is that Germany has always used (at least since 1890) economic measures to advance its foreign policy. Germany has

unavoidably done so because of its trade structure with Eastern Europe. Eastern Europe, including Russia, has historically provided Germany with primary and raw material imports in exchange for more expensive consumer and capital-intensive goods. This has created a significant trade imbalance in Germany's favor. For example, Germany commanded 45% of Russia's import trade, whereas Russia controlled only 13% of Germany's import trade, and this in 1914!<sup>14</sup>

In World War II, the Third Reich was able to control Eastern European exports and imports, and eventually forced these states to become dependent on German supplies and spare parts.<sup>15</sup> After World War II, Germany continued its economic domination of the East, and by 1959, became the Soviet Union's biggest Western trading partner despite the anti-German rhetoric coming from Moscow at the time. Germany also used grain exports and financial credit programs to gain the freedom of German P.O.W.'s in the USSR and of citizens of East Germany. The Federal Republic also used economic measures to secure oil and gas supplies from Russia. Were it not for the *Bundesrepublik's* 300 million dollar aid package to Hungary in 1989, the likelihood that Hungary would have opened its borders is questionable.<sup>16</sup> Hungary precipitated the fall of the Berlin Wall when it opened its borders in September 1989.

#### 4. German Interests Come First

The Bundesbank is a powerful financial institution, with a leading position in the financial affairs of Europe and the rest of the world. As an example supporting Kissinger's point that countries do not necessarily have to be great military powers to be dominant states, the Bundesbank certainly helps the Federal Republic fit those power parameters. The collapse of the European Monetary System (EMS) in 1992 was considered, by some analysts, to be the key event leading to the destruction of hopes for near-term economic unity in the European Union and a prime example of German domination. As an aside, political imperatives seem to dictate that political unity still be pursued prior to monetary unity. However, economists will tend to disagree with such priorities. How can a political union come to a consensus on such critical issues as

budgetary matters, defense burden-sharing, and social welfare policies without first settling on a common financial program?

As Josef Joffe has stated, Germany came to the bargaining table armed in 1990 with "monetary dominance" just as it had come with "dreadnoughts" prior to the First World War. Chancellor Kohl was wearing two hats in 1990, one as a Europeanist and one as the *Bundeskanzler*, and the chancellorship won out. Although Germany had earlier forced the European Community to stay within the stringent budgetary, inflationary, and exchange rate limits as outlined in the EMS, Germany, on its own accord, violated those same principles in 1990 and went on a fiscal spending spree in order to pay for its unification. As the government spent more money, the Bundesbank took increasingly drastic measures to stem inflation and raised interest rates in 1992, to the point that they were almost three times the 1988 level. Instead of taking a more disciplined fiscal approach to Germany's unification for the sake of European monetary unity and cohesion, Chancellor Kohl adopted fiscal measures designed to alleviate Germany's own economic problems and enhance his party's prospects for electoral success. According to Joffe's analysis, Helmut Kohl essentially put German interests over European integration efforts.<sup>17</sup>

According to Joffe, a similar analogy can be made with America's domination of the Bretton Woods currency exchange system in the 1960's, whereby the United States forced its allies to purchase devalued dollars, fresh from the printing presses, in order to finance its war in Vietnam. Germany, the strongest country in the EMS, took the same approach in 1990-1992 by sharply raising interest rates, which caused other European countries to scramble out of the EMS structure.<sup>18</sup>

What then are the prospects of Germany pursuing a less self-serving economic foreign policy? If one considers Germany's rejection of President Clinton's IMF bailout package for Mexico in February 1995 as any indication, it seems unlikely that Germany has had a change of heart.<sup>19</sup>

## B. POLITICAL CULTURE

Although Germany's political culture was analyzed in some detail in Chapters I and III, it is important to at this point to clarify the differences between Schwarz's interpretation of why Germans shun power politics and what this thesis suggests are the truly influential circumstances affecting German political attitudes towards an increased global role. Hans-Peter Schwarz has argued that Germans have been immunized from power politics because of their historic past; the moralistic and responsible policies of the post-1945 German governments; and the policies favored by the media, the churches, and the schools. As a result, Schwarz has argued, Germans tend to harbor a simplistic naïveté towards power politics and armed conflicts. Media accounts covering security issues are quick to include Germany's past atrocities and tend to dwell more on the aspects of death and destruction than on the political rationales behind the use of force. Examples of this simplistic attitude, within the media, over the use of force are provided below:

1) *Die Welt* - "We hope the Bundeswehr does not interpret the decision of the Karlsruhe court [in reference to the July 1994 decision allowing Bundeswehr troops to participate in 'out of area' missions] to allow for the motto 'The Germans to the Front!'"<sup>20</sup>

2) Interviewer from *Der Spiegel* - "By deploying Tornados against Serbian[s],... Germany would become a party to the war...The Germans would shoot Serbs dead."<sup>21</sup>

Although *Der Spiegel* is often characterized as being a left-of-center magazine, one cannot ignore the fact that it is the largest-circulating news magazine in Germany, with over one million readers.<sup>22</sup>

Although Schwarz's thesis seems irrefutable on this account, at least three other factors seem to weigh just as heavily towards Germany's supposed *Machtvergessenheit*. These factors are scarcely mentioned in Schwarz's analysis, yet this thesis argues that they help to explain German attitudes toward involvement in power politics.

## 1. An Attitude Of Moral Aloofness

Many Germans seem to exhibit an attitude of moral aloofness, implying that "we are above barbaric warfighting." This prevailing attitude seems to account for German ambivalence towards power politics issues. According to Josef Joffe, Germans go through a complex decision-making process involving "cool cost benefit calculations" when deciding on a particular foreign policy course. Moral issues must be considered, interests are factored in with risks, financial costs are weighed against the nation's conscience; and legitimate historical sensitivities all become part of the decision-making process.<sup>23</sup>

Some Germans tend to feel that they should not burden themselves with responsibilities regarding foreign conflicts because of their nation's historical past. However, as some Germans have noted, these "historical arguments" tend to act as a front for "historical excuses".<sup>24</sup> These excuses tend to allow Germany to place itself in a "ring-side seat" position whereby the Federal Republic participates diplomatically or economically - but not militarily - in helping settle highly publicized global dilemmas. These tactics reduce Germany's checkbook balance in some instances, but the German people benefit by walking away from problems with "clean hands" as far as military involvement is concerned. Other countries, however, such as the United States, France, and Great Britain, get stuck with the "dirty work" of having to commit troops into action.

Some Germans - at least 40% of those asked in a poll conducted after reunification - preferred a Germany similar to Switzerland: a country hidden away from problems, a center of financial affluence, and a state respected by the entire community of nations.<sup>25</sup> Germans have not, however, forgotten power politics. They understand its importance and fully comprehend its various aspects and purposes. Germans accept power politics and have actually supported armed intervention - as long as it does not involve themselves. At the time of the Persian Gulf War, one poll showed that 72% of the Germans agreed with the way the Allied coalition was conducting the war, including the bombing of Iraq. However, 75% believed that the war should not be conducted with German troops.<sup>26</sup>

Although there is growing optimism on the part of the ruling conservatives in Bonn that Germans will eventually accept a greater international role for themselves, convincing constituents that such a role should be adopted is becoming more of a challenge than some expected. Germans approach increased international responsibilities with "nervousness", and some will even argue, with dismay. In 1994, when asked about the situation in the former Yugoslavia, 53 % of Germans polled in the former West German states opposed plans to send German ground forces to Bosnia and 51 % opposed sending combat aircraft. On the other hand, 53 % believed that there should be more U.N. military involvement in the Balkans.<sup>27</sup>

Excluding Hitler, German statesmen have placed limitations on their foreign policy aspirations. Although Germany had participated in limited colonial excursions outside of Europe, its foreign policy has remained primarily focused on Central Europe. As Bismarck stated, "your map of Africa is very nice, but my map of Africa lies in Europe."<sup>28</sup> American policy makers have been frustrated by what they perceive to be a lack of European resolve to accept involvement in areas outside the immediate confines of Europe, even though areas such as the Middle East affect European interests just as much as they affect American interests.<sup>29</sup>

## **2. A Domestic Orientation**

The second reason for Germany's "reticence" in foreign affairs - a term used by Ronald Asmus - stems from the tumultuous problems associated with Germany's economic and societal unification. The ruling coalition has been forced to use political tactics designed to steer Germans towards a more outward-looking, political orientation in spite of their domestic burdens. These measures have included appeals to the nation's conscience - something that was developed over time, thanks to the more moralistic elements in German society. Politicians are also incorporating foreign policy issues into Germany's domestic agenda.

However, there are limits to Germany's security policy. It would be unwise for a German politician to attempt to convince his constituents that they should give up their



entitlements and pay more taxes in order to pay for an enlarged foreign policy role. Chancellor Kohl, Germany's senior ranking advocate for an expansion of Germany's international responsibilities, has nevertheless tried to influence his nation to take a more assertive stance towards its international "obligations." His use of the term "*kollektiver Freizeitpark*" (social amusement park) to describe Germany's expensive social system is one such example of the Chancellor trying to push the nation away from its old "spoiled" ways and assume its proper position as a responsible power in the new world order.<sup>30</sup>

Chancellor Kohl is still forced to acknowledge the limits of Germany's involvement in foreign affairs. These internal and external constraints were analyzed in previous chapters and play a major role in the conduct of Germany's security policy. Germans cannot ignore the negative episodes in their nation's past. Many groups in other nations still harbor resentment and prejudices against Germans. Some of this resentment stems from ignorance, jealousy, past memories, cultural differences, or political convenience. Serbia comes to mind on the last point.<sup>31</sup>

The real issue affecting Germans is domestic politics. Not only is economic reunification taking its toll on the German pocket book, but the problem of bringing the "*Ossis*" and "*Wessis*" together as one people may only be solved by the next generation of Germans.<sup>32</sup> German citizens consider themselves overtaxed (although they are not taxed to the extent of citizens of some other EU countries<sup>33</sup>), large numbers of people are unemployed, and environmental issues are commanding the attention of the general public. Some analysts predict that complete economic unification will require another ten years. Politically, that may take too long. The recent gains by the Party of Democratic Socialism (the former Socialist Unity Party, the Communists) in the October 1994 election and the growth in "*Ostalgie*" are not positive signs that German patience is willing to wait a decade.<sup>34</sup>

In addition, Western European countries tend to attribute greater importance to domestic issues than to European unification efforts.<sup>35</sup> This adds friction to the integration process and keeps citizens inwardly focused instead of looking more outward. The particular domestic issues affecting Germans include debates on roadway speed limits and

tolls in order to alleviate traffic congestion; expansion of roadways and tunnels at the expense of the environment; the forced purchase of poorer quality foodstuffs, such as bananas, from EU territorial areas; outside attacks on Germany's food purity laws; garbage and waste disposal problems; and issues surrounding high technology joint ventures with other states.<sup>36</sup> Outsiders may view the above concerns as being "trivial" in nature, but they appear to captivate the interests and emotions of average Germans.

Adding to the inwardness tendency is a growing *Verdrossenheit* - apathy towards the established political system - among German citizens. For example, over 91.1 % of all eligible West Germans voted in the national election in 1972. This compares to 84.3 % in 1987 and 78.8 % (of all Germans) in 1990. These percentages are an indication of increasing apathy toward the political sectors of the state.<sup>37</sup> Voter turn out for the recent *Länder* elections was even worse. Even though a voter turn out rate of even 60 % would be high compared to American standards, it is viewed as a cause for alarm in Germany, where the citizens are considered disciplined and view voting as a duty, and where elections are held on non-working Sundays.

*Superwahljahr* (1994) was a difficult election year for Kohl's ruling government. His "come from behind" win in October 1994 was a shallow victory for his coalition. The coalition lost seats in the Bundestag and currently holds only a ten-seat majority. Klaus Kinkel, whose party was reeling from severe losses in previously held state-wide elections, was hoping for an improvement in his party's standing in the October 1994 election. However, in the month prior to election day, the opposition SPD party hardly acknowledged foreign policy issues in the budget debates. This frustrated Kinkel, who as Germany's Foreign Minister, holds his party's most visible position.<sup>38</sup> Although there are substantial policy differences among Germany's political parties, international security matters seem to play a minor role in comparison to the more publicized and pressing domestic issues.

### 3. A Free-Rider Approach

The final reason that Germans tend to avoid power politics can arguably be based on the "free rider" theory.<sup>39</sup> Josef Joffe uses a different phrase, "the partaking of public goods."<sup>40</sup> Americans often call it a problem of inequitable "burden-sharing." Whatever one calls it is inconsequential; the real issue is that Germans hesitate to participate in classical forms of power politics - especially responsibility-sharing in enterprises involving military risks - when other countries will do it for them. Germany no longer has to pursue a solo foreign policy course as it once did, from 1871 through 1945. There are no more "two front" worries. With the help of the United States and other allies, Germany now enjoys economic prosperity, friendly borders, and the security of the most sought-after collective defense organization in the world (NATO).

According to Joffe, the United States provides Western Europe and Germany the "public good" of conventional and nuclear arms protection. Everyone in NATO can stand under the security umbrella, and "others need not work for it" or hold it up as long as the United States is willing to do the job. Joffe states that the required "great organizer" is the United States, which on repeated occasions has provided the necessary resources and assets - to include leadership - in order to protect European interests. For example, the United States was the great organizer during the Korean War and the Persian Gulf War. When there was no great organizer, as was the case in the 1920's and the 1930's with the League of Nations, the end result was World War II. In short, Joffe concludes that "nations left to their own devices will not necessarily do what duty requires." In this particular case, Germany is to some extent a "free-rider", although Chancellor Kohl deserves credit for trying to change that image; and the United States remains the great organizer - albeit a cautious one - providing security and protection, which some feel may not be a lasting thing.<sup>41</sup>

According to Joffe, Americans from the political left and the right have been looking on Europeans as "parasites".<sup>42</sup> It is becoming difficult for American internationalists to justify a "forward presence" when domestic issues dominate the

political agenda. The American media adds to this inward-looking tendency by focusing their coverage on predominantly domestic topics. Media companies are finding it a lot cheaper to report on events in America than to travel overseas.

American politicians have always been openly vocal about the inadequacy of allied contributions to NATO, dating as far back as that organization's inception. However, with the demise of the Soviet Union, there are increasing calls from the United States Congress to have Europeans pay more of the costs of stationing American troops in Europe. The following comments by Congressman David Bonior of Michigan (now the House minority whip) were recorded in Congressional debates on the Frank Amendment - an amendment calling on the Europeans to pay for 75% of the cost of stationing American troops in Europe by 1998:

The lesson [to be learned from Japan increasing its burden sharing to 50% of the non-personnel costs associated with the U.S. military presence in Japan] is that when you get tough - you get respect. And when you get respect - you get results. With this amendment, we are saying that it is time for our European allies to pay their fair share, too. It's not like they cannot afford to pay...this year for example, we will spend at least \$4 billion - not counting salaries - to defend Germany. Yet, Germany has wage rates that are about 140 percent of ours. They have national health care, parental leave, child care, a national job-training program, and a month's paid vacation for all their workers. And to top it all off, last quarter, Germany ran a trade surplus with the United States of about \$10 billion. Yet, we are spending \$4 billion to defend them? It doesn't make any sense.

Incidentally, the Frank Amendment passed in the House by a vote of 268 to 144.<sup>43</sup>

Some Americans are convinced that Germany is a "free rider" benefiting from American military protection. Although elements of American society still fear a resurgent Germany, many more Americans - including President Clinton - believe that Germany is not doing enough to help the United States "shoulder" international responsibilities.<sup>44</sup> To back up this argument, Gompert and Kugler note that Germany has the world's 4th largest economy and is the second per capita "gas-guzzler". Yet, the German military can only manage to contribute a brigade-size ground force for "out of area" missions.<sup>45</sup> Such a

small force would hardly be sufficient for combat situations, unless they were relatively limited in scope. Statistics such as these make Germany vulnerable to "free-rider" accusations from United States law makers who argue that the Germans enjoy American military protection while they dedicate resources to their elaborate social welfare system.

### C. CONCLUSION

The dynamics of German foreign policy are complex and have provoked a polarization among political analysts. Some, such as John Mearsheimer, Kenneth Waltz, Jacob Heilbrunn, and some European politicians (especially those in Eastern Europe), take a seemingly alarmist view of German "assertiveness." Others, such as Presidents Bush and Clinton, General Klaus Naumann, and Hans-Peter Schwarz take an opposite approach, and are critical of what they view as an ambivalent Germany that is not inclined to seek its proper role in shouldering international security responsibilities.

Although some have offered the suggestion that Germany is still emerging into its role as a "normal" state, this thesis has shown that German security policy has maintained a steady course despite the revolutionary changes that have occurred in Europe. The German *Bürger* has been comfortable with his nation's present position in the world order. The Federal Republic's cautious international security choices have given a sense of tranquility to the post-1945 generation of West Germans, compared to earlier periods. Since the reunification of 1989-1990, West German attitudes based on the FRG's experiences in 1949-1989 have been increasingly accepted by East Germans, although East Germans retain distinctive views on some matters. Of course, periods of tensions such as the Berlin blockade and the stationing of INF missiles in the early 1980's have come and gone. However, Germans are living comfortable lives, enjoy some of the world's highest standards of living, and are able to frequently get away from their structured lives and take elaborate vacations.

This thesis concludes that, contrary to what Hans-Peter Schwarz has argued, Germans are well aware of power politics and are able to use its applications within acceptable boundaries. The realm of the Federal Republic's contemporary *Machtpolitik*

may be summed up in three points: appealing to the public's sense of responsibility to further political goals, implementing "assertive" diplomatic and economic measures on occasion, and supporting the right of others to use military force.

German security interests are limited, and Germany's military capabilities can arguably be considered modest for a country of such great economic, technological, and political importance. However, to expand its international security roles and obligations may not be in Germany's best interests. With responsibilities come liabilities. These liabilities could exact a heavy toll on Germany's conscience, incur negative reactions from public opinion, and affect its political well-being. With domestic factors and a continuing awareness of its troubled past being the dominating forces affecting Germany's foreign policy, the incentives for Germany to pursue greater global security responsibilities will be weighed against the benefits of non-involvement or carefully circumscribed contributions.

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